

ORDINANCE NO. 2024-25

AN ORDINANCE AMENDING CHAPTERS 13, 14, AND APPENDIX A OF THE CITY CODE RELATED TO CANNABIS BUSINESS REGULATIONS

The City Council for the City of Bloomington, Minnesota, ordains:

Section 1. That Chapter 13 of the City Code is hereby amended by deleting those words within brackets and ~~[stricken through]~~ and adding those words that are underlined, to read as follows:

CHAPTER 13: ALCOHOLIC BEVERAGE CONTROL

ARTICLE I: GENERAL PROVISIONS AND LICENSES

§ 13.02 DEFINITIONS.

EXCLUSIVE LIQUOR STORE. An establishment used exclusively for the sale of those items authorized in M.S. § 340A.412, subd. 14. ~~[of intoxicating liquor except for the incidental sale of ice, tobacco, 3.2% malt liquor, beverages for mixing with intoxicating liquor, soft drinks, cork extraction devices, and books and videos on the use of alcoholic beverages in the preparation of food.]~~

ARTICLE II: LICENSE APPLICATIONS AND RENEWALS

§ 13.15 LOCATIONS INELIGIBLE FOR A LICENSE.

(e) No off-sale license under this code shall be granted to any location within 300 feet of a school ~~[-or place of worship]. [In the case of a school, t]~~ The distance shall be measured in a straight line from the proposed licensed premises lot line to the nearest point of the lot on which the school is located. [In the case of a place of worship, the distance shall be measured in a straight line from the proposed licensed premises lot line to the nearest point of the place of worship building.] For off-sale license holders located in shopping centers or business developments, as defined by chapter 19 of this city code, the distance shall be measured from the main entrance of the licensed premises. A location for which a license was lawfully granted ~~[in 1989, or lawfully granted thereafter,]~~ and [at which a] where the license holder has been in

continuous operation, is not ineligible for a license by reason of proximity to a school.~~[-or a place of worship.]~~

Section 2. That Chapter 14 of the City Code is hereby amended by deleting those words within brackets and ~~[stricken through]~~ and adding those words that are underlined, to read as follows:

CHAPTER 14: LICENSES AND PERMITS

ARTICLE IV: BUSINESS LICENSES AND REGULATIONS

DIVISION L: ~~[MEDICAL MARIJUANA DISTRIBUTION FACILITIES~~

~~§ 14.276 FINDINGS AND PURPOSE STATEMENT.~~

~~(a) *Findings.* The City Council makes the following findings regarding the need to regulate medical marijuana distribution facilities within the city:~~

~~(1) Since 1970, federal law has prohibited the manufacture and possession of marijuana as a Schedule I drug under 21 U.S.C. §§ 801 et seq. Because of this, credit card companies will not authorize medical marijuana transactions and therefore the medical marijuana business must consist of primarily cash transactions.~~

~~(2) Medical marijuana customers must, under the state Act, be certified by a health care practitioner as having a medical condition that has been determined by the Commissioner under the Act to be a “qualifying condition”; however, under federal law, physicians cannot legally prescribe medical marijuana. Thus customers must visit the medical marijuana distribution facility to be seen by a pharmacist who determines the type and dosage of medical marijuana appropriate for their condition.~~

~~(3) Medical marijuana customers with “qualifying conditions” will include individuals with severely compromised immune systems or other significant health conditions, making them extremely vulnerable targets for thieves seeking either the cash they carry for the product or the product itself. The Commissioner has indicated that the field of “qualifying conditions” is likely to expand to cover chronic pain and that this expansion will greatly increase the number of persons seeking medical marijuana.~~

~~(4) Medical marijuana is relatively expensive with cash transactions in the range of several hundred dollars per month’s supply. Few, if any, health insurance companies provide coverage for medical marijuana. Because of this high out-of-pocket cost, there has developed in other states authorizing medical marijuana distribution a black market for stolen product.~~

~~(5) To safeguard the public health, safety and welfare, and to help stabilize costs~~

~~associated with the regulation of the medical marijuana distribution industry, it is necessary to closely regulate its method of operation and also to restrict the number of medical marijuana distribution facilities permitted to conduct business within the community.~~

~~(b) *Purpose statement.* The City Council enacts this Division of the city code in order to further the following objectives:~~

~~(1) The prevention of medical marijuana distribution facilities from being used as facilities for the commission of crime.~~

~~(2) The protection of vulnerable individuals carrying either large amounts of cash or valuable medical marijuana product.~~

~~(3) The promulgation of safety and security standards to be adhered to by the medical marijuana distribution industry.~~

~~(4) To separate youth and sensitive uses from the medical marijuana distribution industry.~~

~~(5) To protect property values, prevent blight, and protect the public health, safety and general welfare.~~

~~(6) To stabilize the city's costs of regulating the medical marijuana distribution industry, particularly as it expands with the Commissioner determining a broader range of "qualifying conditions" under the Act.~~

§ 14.277 DEFINITIONS.

~~The following words and terms when used in this Division shall have the following meanings unless the context clearly indicates otherwise:~~

~~**ACT.** The THC Therapeutic Research Act, M.S. §§ 152.21 through 152.37, as they may be amended from time to time.~~

~~**COMMISSIONER.** The Minnesota Commissioner of Health.~~

~~**ISSUING AUTHORITY.** The City of Bloomington License Section.~~

~~**LABORATORY.** A fixed-based or mobile structure, a person, corporation, or other entity, including a government or tribal entity, that examines, analyzes or tests samples.~~

~~**MEDICAL MARIJUANA.** Any species or form of the genus cannabis plant or any mixture or preparation of them, including whole plant extracts and resins that is delivered only in the form of (1) liquid, but not limited to oil; (2) pill; or (3) vaporized delivery method with use of liquid or oil, but which does not require the use of dried leaves or plant form that has been approved for distribution to the public for medical reasons by the Commissioner under the Act.~~

~~**MEDICAL MARIJUANA DISTRIBUTION FACILITY.** The location at which, or the premises in which, a person engages in the business of distributing medical marijuana under the Act.~~

~~**PATIENT.** A Minnesota resident who has been diagnosed with a qualifying medical condition by a health care practitioner and who has otherwise met any other requirements~~

under the Act to participate in the registry program.

PERSON. One or more natural persons; a partnership, including a limited partnership; a corporation, including a foreign, domestic, or nonprofit corporation; a trust; a political subdivision of the state; or any other business organization.

REGISTRY PROGRAM. The patient registry program established by the Act.

~~§ 14.278 LICENSE REQUIRED.~~

~~No person shall exercise, carry on, or be engaged in the trade or business of medical marijuana distributor within the city unless such person is currently licensed under this Division L.~~

~~§ 14.279 LICENSE APPLICATION.~~

~~In addition to any information that may be required by the State of Minnesota under the Act, every application for a license under this Division L shall be made on a form supplied by the issuing authority and shall contain the following information:~~

~~(1) *Individual applicants.* If the applicant is a natural person:~~

~~(a) The name, place and date of birth, street resident address, and phone number of the applicant.~~

~~(b) Whether the applicant has ever used or has been known by a name other than the applicant's name, and if so, the name or names used and information concerning dates and places where used.~~

~~(c) The name of the business if it is to be conducted under a designation, name, or style other than the name of the applicant and a certified copy of the certificate as required by M.S. § 333.01, as it may be amended from time to time.~~

~~(d) The street addresses at which the applicant has lived during the preceding five years.~~

~~(e) The type, name, and location of every business or occupation in which the applicant has been engaged during the preceding five years and the name(s) and address(es) of the applicant's employer(s) and partner(s), if any, for the preceding five years.~~

~~(f) Whether the applicant has ever been convicted of a felony, crime, or violation of any ordinance other than a traffic ordinance. If so, the applicant shall furnish information as to the time, place, and offense for which convictions were had.~~

~~(g) The physical description of the applicant.~~

~~(h) The name of the store or general manager(s), proprietor(s), or other agent(s) in charge of the business and all information concerning each manager, proprietor, or agent required in subpart (1) of this section.~~

~~(2) *Partnership applicants.* If the applicant is a partnership:~~

~~(a) The name(s) and address(es) of all general and limited partners and all information concerning each general partner required in subpart (1) of this section.~~

~~(b) The name(s) of the managing partner(s) and the interest of each partner in the business.~~

~~(c) A true copy of the partnership agreement shall be submitted with the application. If the partnership is required to file a certificate as to a trade name pursuant to M.S. § 333.01, as it may be amended from time to time, a certified copy of such certificate shall be attached to the application.~~

~~(d) The name of the store or general manager(s), proprietor(s), or other agent(s) in charge of the business and all information concerning each manager, proprietor, or agent required in subpart (1) of this section.~~

~~(3) Corporate applicants. If the applicant is a corporation or other organization:~~

~~(a) The name of the corporation or business form, and if incorporated, the state of incorporation.~~

~~(b) A true copy of the certificate of incorporation, articles of incorporation or association agreement, and by laws shall be attached to the application. If the applicant is a foreign corporation, a certificate of authority as required by M.S. § 303.06, as it may be amended from time to time, shall be attached.~~

~~(c) The name of the store or general manager(s), proprietor(s), or other agent(s) in charge of the business and all information concerning each manager, proprietor, or agent required in subpart (1) of this section.~~

~~(d) A list of all persons who control or own an interest in excess of five percent (5%) in such organization or business form or who are officers of the corporation or business form and all information concerning said persons required in subpart (1) above.~~

~~(4) All applicants. For all applicants:~~

~~(a) Whether the applicant holds a current medical marijuana distribution license from the city or any other governmental unit and proof that the applicant is validly registered and approved by the Commissioner under the Act.~~

~~(b) Whether the applicant or any individual, partner, or corporate officer having an ownership interest in the business has previously had a federal, state or local license of any kind denied, revoked or suspended by any governmental unit, identifying that governmental unit.~~

~~(c) The location of the business premises.~~

~~(d) The legal description of the premises to be licensed.~~

~~(e) Whether all real estate and personal property taxes that are due and payable for the premises to be licensed have been paid, and if not paid, the years and amounts that are unpaid.~~

~~(f) Whenever the application is for premises either planned or under construction or undergoing substantial alteration, the application shall be accompanied by a set of~~

~~preliminary plans showing the design of the proposed premises to be licensed. If the plans or design are on file with the City of Bloomington Building and Inspection Division, no plans need be submitted with the issuing authority.~~

~~(g) Such other information as the City Council or issuing authority may require.~~

~~(h) The applicant's hours of operation, on-site management and parking facilities.~~

~~(i) An executed data privacy advisory and consent form authorizing the release of criminal history information from each of the individuals, partners and corporate officers having an interest in the business.~~

~~(j) Proof of worker's compensation insurance as required by M.S. § 176.182, as it may be amended from time to time, and the applicant's~~

~~(k) The names and addresses of all persons, other than the applicant, who have any ownership, in whole or in part, in the business, buildings, premises, fixtures, furniture, stock in trade to be licensed; the nature of such ownership; the amount thereof; and terms for payment or other reimbursement. Those with an ownership shall include, but not be limited to, any lessees, lessors, mortgagees, mortgagors, lenders, lien holders, trustees, trustors and persons who have cosigned notes or otherwise loaned, pledged, or extended security for any indebtedness of the applicant.~~

~~(l) The website and electronic mail address for the business and each of the individuals, partners, and corporate officers having an interest in the business.~~

~~§ 14.280 LICENSE FEES.~~

~~(a) *Application fee.*~~

~~(1) The license application fee shall be as set forth in City Code Appendix A. The fee paid shall be refunded in accordance with § 14.15 of this code, except that the fee shall be refunded on a monthly basis.~~

~~(2) The license application fee shall be paid in full before the application for a license shall be accepted. Upon rejection of any application for a license or upon withdrawal of any application before City Council approval, the license fee shall be refunded in full to the applicant except where rejection is for a willful misstatement in the license application.~~

~~(3) When a new license application is submitted as a result of incorporation by an existing licensee and the ownership, control, and interest in the license are unchanged, no additional fee shall be required.~~

~~(b) *Investigation fee.*~~

~~(1) An applicant for any license under this Division L shall deposit with the issuing authority at the time an original application is submitted a deposit as set forth in City Code Appendix A to cover the costs involved in verifying the license application and to cover the expense of any investigation needed to assure compliance with this Division L and the issuing authority may request up to the maximum amount as set forth in City Code Appendix A to cover any additional actual investigation costs in verifying the license application.~~

(2) ~~At any time that an additional investigation is necessary because of a change of the managing partner, store or general manager, proprietor or other person in charge of the licensed premises of its corporate structure, the licensee shall pay an additional nonrefundable investigation fee as set forth in City Code Appendix A.~~

~~§ 14.281 LICENSE APPLICATION EXECUTION.~~

~~All applications for a license under this Division L shall be signed and sworn to. If the application is that of a natural person, it shall be signed and sworn to by such person; if that of a corporation, by an officer thereof; if that of a partnership, by one of the general partners; and if that of an unincorporated association, by the manager or managing officer thereof.~~

~~§ 14.282 LICENSE APPLICATION VERIFICATION.~~

~~All applications shall be referred to the issuing authority for verification and investigation of the facts set forth in the application. The issuing authority shall make a written report and recommendation to the City Council as to issuance or non-issuance of the initial license application. The issuing authority is empowered to conduct any and all investigations to verify the information on the application, including ordering a computerized criminal history inquiry and/or a driver's license history inquiry on the applicant. The City Council may order and conduct such additional investigation as it deems necessary.~~

~~§ 14.283 LICENSE APPLICATION CONSIDERATION.~~

(a) ~~The initial application for a license under this Division L shall be presented to the City Council for consideration after the issuing authority has verified the information on the initial license application and conducted any investigation, including a criminal background check, to assure compliance with this Division. The hearing before the City Council shall be advertised at least ten days prior to the scheduled date of the hearing. The City Council may accept or deny the license application at such public hearing. Renewal applications shall be governed by § 14.295.04 of this code.~~

~~If an application is granted for a location where a building is under construction or not ready for occupancy, the license shall not be delivered to the licensee until a certificate of occupancy has been issued for the licensed premises.~~

~~§ 14.284 PERSONS AND LOCATIONS INELIGIBLE FOR A LICENSE.~~

(a) ~~*Individuals ineligible.* No original or renewal license under this Division L shall be issued to an applicant who is a natural person if such applicant:~~

~~(1) Is not 18 years of age or older on the date the license application is submitted to the issuing authority;~~

~~(2) Has been convicted of any crime directly related to the occupation licensed and has not shown competent evidence of sufficient rehabilitation and present fitness to operate a medical marijuana distribution facility as prescribed by the Act;~~

- ~~(3) Is not of good moral character or repute;~~
- ~~(4) Has knowingly falsified or misrepresented information on the license application;~~
- ~~(5) Is not the real party in interest in the business being licensed; or~~
- ~~(6) Owes taxes or assessments to the state, county, school district or city that are due and delinquent.~~

~~(7) Has had an interest in a corporation, partnership, association, enterprise, business or firm that had a federal, state or local license of any kind denied or revoked as a result of a violation of law within five years of the date the license application is submitted to the issuing authority.~~

~~(b) Partnership ineligibility. No original or renewal license under this Division L shall be issued to an applicant that is a partnership if such applicant has any general partner or managing partner:~~

~~(1) Who is not 18 years of age or older on the date the license application is submitted to the issuing authority;~~

~~(2) Who has been convicted of any crime directly related to the occupation licensed as prescribed by M.S. § 364.03, subd. 2, as it may be amended from time to time, and who has not shown competent evidence of sufficient rehabilitation and present fitness to operate a medical marijuana distribution facility as prescribed by the Act;~~

~~(3) Who is not a citizen of the United States or a resident alien, or is legally prohibited from working in the United States;~~

~~(4) Who is not of good moral character or repute;~~

~~(5) Who has knowingly falsified or misrepresented information on the license application;~~

~~(6) Who is not the real party in interest in the business being licensed; or~~

~~(7) Who owes taxes or assessments to the United States, state, county, school district, or city that are due and delinquent.~~

~~(8) Has had an interest in a corporation, partnership, association, enterprise, business or firm that had a federal, state or local license of any kind denied or revoked as a result of a violation of law within five years of the date the license application is submitted to the issuing authority.~~

~~(c) Corporate and association ineligibility. No original or renewal license under this Division L shall be issued to an applicant that is a corporation or other organization if such applicant has any manager, proprietor, or agent in charge of the business to be licensed:~~

~~(1) Who is not 18 years of age or older on the date the license application is submitted to the issuing authority;~~

~~(2) Who has been convicted of any crime directly related to the occupation licensed as prescribed by M.S. § 364.03, subd. 2, as it may be amended from time to time, and who has not shown competent evidence of sufficient rehabilitation and present fitness to operate a~~

medical marijuana distribution facility as prescribed by the Act;

~~(3) Who is not of good moral character or repute;~~

~~(4) Who has knowingly falsified or misrepresented information on the license application;~~

~~(5) Who is not the real party in interest in the business being licensed; or~~

~~(6) Who owes taxes or assessments to the United States, state, county, school district or city that are due and delinquent.~~

~~(7) Has had an interest in a corporation, partnership, association, enterprise, business or firm that had a federal, state or local license of any kind denied or revoked as a result of a violation of law within five years of the date the license application is submitted to the issuing authority.~~

~~(d) *Locations ineligible.* The following locations shall be ineligible for a license under this Division L:~~

~~(1) *Claims due.* No license shall be granted or renewed for operation on any property on which taxes, assessments, or other financial claims of the United States, State, county, school district or city are past due, delinquent, or unpaid. In the event a suit has been commenced under M.S. §§ 278.01 through 278.13, as it may be amended from time to time, questioning the amount or validity of taxes, the City Council may on application waive strict compliance with this provision; no waiver may be granted, however, for taxes or any portion thereof which remain unpaid for a period exceeding one year after becoming due.~~

~~(2) *Improper zoning.* No license shall be granted if the property is not properly zoned for medical marijuana distribution facilities under Chapter 19 or 21 of this code.~~

~~(3) *Proximity to sensitive uses.* No license shall be granted to any location within 1,000 feet of an existing school (K-12). The distance shall be measured in a straight line without regard to intervening structures or objects from the distribution facility's site boundaries to the closest point of the property lines of the sensitive use.~~

~~(4) *Limitation on number of licenses issued.* No license shall be granted when the issuance thereof would increase the number of such licenses outstanding and in force at that time to more than one per each 100,000 inhabitants or fraction thereof residing in the city according to the most recent decennial U.S. Census data. However, this section of code shall not be construed to vest in any licensee the right to hold a semi-exclusive license in that the City Council reserves the right, by properly adopted ordinance, to increase the number of licenses at any time.~~

~~§ 14.285 LICENSE RESTRICTIONS.~~

~~(a) *Records of transactions.* At the time of making a medical marijuana transaction, the licensee must provide a receipt to the customer and keep a copy thereof on the licensed premises. The record of the transaction must include the following:~~

~~(1) The name, address and telephone number of the licensed business;~~

- ~~(2) The date and time of the transaction;~~
- ~~(3) The signature or unique identifier of the licensee or employee that conducted the transaction;~~
- ~~(4) The full name, residence address, residence telephone number, and date of birth of the customer, noting the method of identification by one of the following:
 - ~~(A) Current valid Minnesota driver's license;~~
 - ~~(B) Current valid Minnesota identification card; or~~
 - ~~(C) Current valid photo driver's license or identification card issued by another state.~~~~
- ~~(5) The signature of the customer.~~
- ~~(6) The type and amount of medical marijuana distributed, along with the amount and type of payment therefor accepted by the licensee.~~
 - ~~(b) Hours of operation. No medical marijuana distribution facility shall be open for the transaction of business on any day of the week before 7:00 a.m. or after 7:00 p.m.~~
 - ~~(c) Security guards. During all hours of operation, there must be at least one licensed, uniformed security guard present and visible on the premises.
 - ~~(1) Such guard(s) must be duly licensed by the State of Minnesota in a manner compliant with all applicable state and local laws.~~
 - ~~(2) The presence and licensing of such guards must be verified by the operator(s), employee(s) or security guard(s) of such distribution facility, upon reasonable demand by any local, state or federal licensed peace officer.~~~~
 - ~~(d) Closed circuit television surveillance system. Distribution facilities must operate and maintain in good working order a closed circuit television (CCTV) surveillance system on its premises that operates 24 hours per day, seven days per week and visually records:
 - ~~(1) All areas that might contain plant material or medical marijuana, including all safes and vaults;~~
 - ~~(2) All points of entry and exit, including sales and clinic areas;~~
 - ~~(3) The entrance to the video surveillance room and any parking lot, which must have appropriate lighting for the normal conditions of the area under surveillance.~~
 - ~~(4) Cameras must capture clear and certain identification of any person entering or exiting the distribution facility, have the ability to produce a clear, color still photograph either live or from a recording;~~
 - ~~(5) Have an embedded date and time stamp on all recordings that must be synchronized and must not obscure the picture;~~
 - ~~(6) And remain operational during a power outage.~~
 - ~~(7) The CCTV system must be kept in a secure manner to prevent theft, loss,~~~~

~~destruction, corruption or alteration.~~

~~(e) *Video recording requirements.*~~

~~(1) The CCTV system must export still images in an industry standard format.~~

~~(2) Exported video must be archived in a proprietary format that ensures authentication and guarantees that the recorded image has not been altered.~~

~~(3) Exported video must be saved in an industry standard file format that can be played on a standard computer operating system.~~

~~(4) All video recordings must be available for viewing upon request of the Bloomington Police Department, retained for at least 90 calendar days, maintained free of alteration or corruption and retained longer as needed if the distribution facility operator is given actual notice of a pending criminal, civil or administrative investigation or other legal proceeding for which the recording may contain relevant information.~~

~~(5) The video recordings must be kept in a secure manner to prevent theft, loss, destruction, corruption or alteration.~~

~~(6) All recordings must be erased or destroyed before disposal.~~

~~(f) *Alarm system requirements.* Distribution facilities must install and maintain a professionally monitored security alarm system that provides intrusion and fire detection of all entrances and exits, rooms with exterior windows, rooms with exterior walls, roof hatches, skylights, and storage rooms. The alarm system must remain operational during a power outage.~~

~~(g) *Restricted access to the building.* Distribution facilities must be equipped with an electronic controlled access that limits access to the building to authorized individuals, tracks personnel entry and exit times, locks down the distribution facility in the event of a security threat, stores data for retrieval, remains operational during a power outage and is capable of remote administration. Distribution facility operators must submit the controlled access system data to the Bloomington Police Department upon request.~~

~~(h) *Building location.* Distribution facilities must be located in a highly visible permanent building that is situated so that all public points of access to the distribution facility are visible from the street.~~

~~(i) *Lighting.* The distribution facility site must meet the lighting standards for retail and service oriented uses (see § 21.301.07).~~

~~(j) *Inconspicuous displays.* All displays of merchandise, interior signs and other exhibits must be situated so as to prevent public viewing from outside the facility.~~

~~(k) *Exterior signage.* Signs must not include images of cannabis or cannabis smoking paraphernalia, colloquial references to cannabis, names of cannabis plant strains, or medical symbols that bear a reasonable resemblance to established medical associations.~~

~~(l) *Automated teller machine.* Each distribution facility must have located in a secure area of the facility an automated teller machine available for use by customers.~~

~~(m) *Inspection of items.* The licensee must, at all times during the term of the license, allow the City Police Department or issuing authority to enter the premises where the licensed business is located, during normal business hours and at all other reasonable times, for the purpose inspecting such premises, the record of all transactions conducted therein, including without limitation all shipping, packaging and inventory records and lists, as well as all items, ware, and merchandise therein for the purpose of verifying compliance with this Division L and applicable state laws.~~

~~(n) *No paraphernalia or other merchandise.* The licensee must restrict the business activity at the licensed premises to patient evaluation and education, and the sale of medical marijuana as defined herein along with delivery devices and supplies specifically required for the proper delivery of medical marijuana and no other product, such as, without limitation: other forms of marijuana, illegal drugs, or tobacco. All sales must be restricted to a patient enrolled in the registry program under the Act with a qualifying medical condition or their registered designated caregiver, as defined in the Act.~~

~~(o) *Maintenance of order.* A licensee under this Division L shall be responsible for the conduct of the business being operated and shall maintain conditions of order.~~

~~(p) *Employees.* No licensee under this Division L may employ any person who is under 21 years of age or who has been convicted of a disqualifying felony offense. Each licensee must employ a validly licensed pharmacist(s) and provide proof of current licensure in good standing. Licensed pharmacists must be the only employee(s) to distribute medical marijuana.~~

~~(q) *No consumption on premises.* Under no circumstances shall a licensee permit any person to consume medical marijuana on the licensed premises.~~

~~(r) *Licensed premises.* A license issued under this Division L is effective only for the compact and contiguous space or premises specified in the approved license application. A separate license is required for each place of business.~~

~~(s) *Change in ownership.* Any change, directly or beneficially, in the ownership of any licensed medical marijuana distribution facility shall require the application for a new license and the new owner must satisfy all current eligibility requirements.~~

~~(t) *Inactive license.* Any licensed medical marijuana distributor who fails to conduct any transactions for a period of six consecutive months shall be sent by the issuing authority a notice of hearing to show cause why the license should not be revoked by the City Council. At that hearing, the City Council shall determine the status of the licensee's operations and if satisfactory proof of intent to conduct business under the license is not demonstrated by the licensee, the City Council may revoke the license.~~

~~§ 14.286 LICENSE TRANSFER.~~

~~(a) Each license under this Division L shall be issued to the applicant only and shall not be transferable to any other person. No licensee shall loan, sell, give or assign a license to another person. A license issued under this Division L is for the person and premises named on the approved license application, only at the permanent place of business designated on the license. No transfer of a license shall be permitted from place to place or from person to~~

person, except in the case in which an existing licensee is merely changing a business or corporate name or changing their corporate structure so long as there is no change in the ownership or control of the business or function. All licenses issued under this Division L must be posted in a conspicuous place on the premises for which it issued.

~~(b) A licensee under this Division L must immediately notify the issuing authority of the following:~~

~~(1) A change in the corporate or organization officers listed in the license application.~~

~~(2) Any changes in the partnership agreement.~~

~~(3) A change of the managing partner, store or general manager, proprietor, or other person who is in charge of the licensed premises.~~

~~(4) Any change in the ownership of an establishment licensed under this Division L, including any acquisition of an interest in the partnership, corporation, or other organization by any person not identified in the license application.~~

~~(c) When an establishment licensed under this Division L is sold or transferred, the licensee shall immediately notify the issuing authority of the sale or transfer. Prior to that sale or transfer the prospective new owner must apply for a new license at least 20 days prior to the effective date of the transfer if the establishment that is sold or transferred is to continue in the business of medical marijuana distribution facility.~~

§ 14.286.01 RENEWAL APPLICATION.

~~(a) *Effect of license; deadline for renewal application.* All licenses issued under this Division L shall be effective for one year from the date of approval by the City Council. An application for the renewal of an existing license shall be made prior to the expiration date of the license and shall be made in such form as the issuing authority requires. If, in the judgment of the City Council, good and sufficient cause is shown by an applicant for the applicant's failure to submit a renewal application before the expiration of the existing license, the City Council may, if the other provisions of this Division L are complied with, grant the renewal application.~~

~~(b) *Consideration of renewal application.* Within a reasonable period after the completion of the renewal license verification process by the issuing authority, the issuing authority shall accept or deny the renewal license application in accordance with this Division L. If the renewal application is denied, the issuing authority shall notify the applicant of the determination in writing. The notice shall be mailed by regular mail to the applicant at the address provided in the application and it shall inform the applicant of the applicant's right, within 20 days after receipt of the notice by the applicant to request an appeal of the issuing authority's determination to the City Council. If an appeal to the City Council is timely received by the issuing authority, the hearing before the City Council shall take place within a reasonable period of receipt of the appeal by the issuing authority.~~

§ 14.286.02 SANCTIONS FOR LICENSE VIOLATIONS.

~~(a) *Suspension or revocation.* The City Council may revoke a license, suspend a license for up to 60 days, impose a civil penalty of up to \$2,000 for each violation, or impose any combination of these sanctions, issued pursuant to this Division L for a violation of:~~

~~(1) Fraud, misrepresentation or false statement contained in a license application or a renewal application.~~

~~(2) Fraud, misrepresentation or false statement made in the course of carrying on the licensed occupation or business.~~

~~(3) Any violation of this Division L or state law.~~

~~(4) A licensee's criminal conviction that is directly related to the occupation or business licensed as defined by M.S. § 364.03, subd. 2, as it may be amended from time to time, provided that the licensee cannot show competent evidence of sufficient rehabilitation and present fitness to perform the duties of the licensed occupation or business as defined by M.S. § 364.03, subd. 3, as it may be amended from time to time.~~

~~(5) Conducting the licensed business or occupation in an unlawful manner or in such a manner as to constitute a breach of the peace or to constitute a menace to the health, safety, or general welfare of the community.~~

~~(b) *Notice of hearing.* A revocation or suspension by the City Council shall be preceded by written notice to the licensee and a hearing. The notice shall give at least eight days' notice of the time and place of the hearing and shall state the nature of the charges against the licensee. The notice shall be mailed by regular mail to the licensee at the most recent address listed on the license application.~~

§ 14.286.03 PROHIBITED ACTS.

A licensee and any clerk, agent, or employee of a licensee shall not:

~~(1) Make any false entry in the records of transactions;~~

~~(2) Falsify, obliterate, destroy, or remove from the place of business the records, books, or accounts relating to the licensee's transactions;~~

~~(3) Refuse to allow the appropriate law enforcement agency, the attorney general, or any other duly authorized state or federal law enforcement officer to inspect the business records during the ordinary hours of business or other time acceptable to both parties.~~

§ 14.286.04 PENALTY.

A violation of this Division L shall be a misdemeanor under Minnesota law. Civil administrative penalties shall be subject to assessment pursuant to § 12.15 of the City Charter and § 1.19 of this city code. However, nothing in this Article shall be construed to limit the city's other available legal remedies for any violation of the law, including without limitation, licensing sanctions, criminal, civil, and injunctive actions. In addition, violations or failure to pay civil fines may result in future license ineligibility.

§ 14.286.05 SEVERABILITY.

If any section, subsection, sentence, clause, or phrase of this Division L is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Division L. The City Council hereby declares that it would have adopted this Division L and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid.]

DIVISION N: [SALE OF TETRAHYDROCANNABINOL PRODUCTS] RESERVED

[§ 14.296 PURPOSE.]

The purpose of this Division N is to restrict access by minors and to regulate the sale of any legalized adult use product that contains tetrahydrocannabinol and that meets the requirements to be sold for human or animal consumption under M.S. § 151.72, as it may be amended from time to time, for the following reasons:

(a) M.S. § 151.72, as it may be amended from time to time, does not prohibit municipalities from adopting and enforcing local ordinances to regulate THC products;

(b) For adults, approximately one in ten marijuana users will become addicted. For those who start before age 18, the rate of addiction rises to one in six;

(c) Health concerns related to marijuana use include harm to the brain, especially when starting at a young age, mental health, cardiovascular health, and impaired driving;

(d) Recent marijuana use in youth and adults has an immediate impact on thinking, attention, memory, coordination, movement, and time perception;

(e) Marijuana affects brain development. Those at greatest at risk are teenagers, children, and infants. The higher the THC amount, the stronger the effects on the brain;

(f) Individuals who use marijuana are more likely to develop temporary psychosis and long-lasting mental disorders. This association is stronger in people who start using at an earlier age, use more frequently, and use higher amounts of THC;

(g) Edible THC products have a greater risk of poisoning from unintended ingestion or acute intoxication. Effects of THC poisoning include: trouble breathing, vomiting, dizziness, anxiety, panic and paranoia, difficulty walking, slurred speech, and rapid heart rate;

(h) Young kids are the most susceptible to THC poisoning due to biological factors like height and weight, concentration of THC, and appealing flavors and products like candies or gummies. Young children under ten are most likely to be admitted to the hospital than older children;

(i) From January 2021 to May 2022, national poison control centers received over 10,000 cases involving only edible THC products. 65% of these cases involved unintentional exposure and of these unintentional exposures, 91% were pediatric patients. 79% percent of

the total cases (intended and unintended) required a health care facility evaluation;

~~(j) National Institute on Drug Abuse conducts Monitoring the Future study annually. In 2021, past year, past month, and daily marijuana use in young adults reached the highest levels ever recorded since these trends were first monitored in 1988. This is following a significant decrease in past month use during the pandemic; and~~

~~(k) 2019 Minnesota Student Survey data found that 20.6% of 11th graders in Minnesota used marijuana in the last year and 15.5% had used in the last 30 days. In Bloomington the same survey found that 17% of 11th graders used marijuana in the last year and 12% in the last 30 days.~~

§ 14.297 DEFINITIONS.

The following words and terms when used in this Division N shall have the following meanings unless the context clearly indicates otherwise.

~~**BUSINESS.** Refers to any place of business where THC products are available for sale to the general public, including but not limited to grocery stores, tobacco-related products stores, CBD stores, convenience stores, gasoline service stations, bars, and restaurants.~~

~~**EXCLUSIVE LIQUOR STORE.** An establishment that meets the definition of exclusive liquor store in~~

~~M.S. § 340A.101, subd. 10, as it may be amended from time to time.~~

~~**MOVABLE PLACE OF BUSINESS.** A business whose physical location is not permanent or is capable of being moved or changed. Movable place of business includes, but is not limited to a kiosk, truck, van, automobile, or other type of vehicle or transportable shelter and not a fixed address storefront or other permanent type of structure authorized for retail sales.~~

~~**PERSON.** One or more natural persons; a partnership, including a limited partnership; a corporation, including a foreign, domestic or nonprofit corporation; a trust; a political subdivision of the state; or any other business organization.~~

~~**RETAIL SALE.** Any transfer of goods for money, trade, barter, or other consideration for THC products.~~

~~**SELF-SERVICE MERCHANDISING.** A method of displaying THC products, so that they are accessible to the public without the assistance or intervention of the licensee or licensee's employee. Assistance or intervention means the actual physical exchange of THC products between the customer and the licensee or licensee's employee.~~

~~**THC PRODUCT.** Any product that contains more than trace amounts of tetrahydrocannabinol and that meets the requirements to be sold for human or animal consumption under M.S. § 151.72, as it may be amended from time to time. THC product does not include medical cannabis as defined in M.S. § 152.22, subd. 6, as it may be amended from time to time.~~

~~**VENDING MACHINE.** Any mechanical, electric, or electronic self-service device that dispenses THC products upon the insertion of money, tokens, or any other form of payment;~~

directly to a person seeking to purchase THC products.

§ 14.298 LICENSE.

~~(a) *License required.* No person shall keep for retail sale, sell at retail, or otherwise dispose of any THC products at any place in the city without first obtaining a license and paying a license fee.~~

~~(b) *Application.* An application for a license to sell THC products shall be made on a form provided by the issuing authority. The issuing authority shall verify the information on the application form and is empowered to conduct an investigation to verify the information on the application, including ordering a computerized criminal history inquiry and/or driver's license history inquiry on the applicant.~~

~~(c) No person shall be issued an original or renewal license to sell THC products unless that person has implemented a program for instructing all employees in the legal requirements pertaining to the sale of THC products, including, but not limited to, state laws and this Division N, providing information on the risks of using THC products, and requiring employees to request identification from every customer who appears to be under 30 years of age. No license shall be issued to an establishment unless the employer signs a city form stating that the employer has provided training to all employees on the sale of THC products, and such training includes information that the sale of THC products to a person under 21 years of age is illegal, what proof of age is legally acceptable, and that a sale to a person under 21 years of age can subject the employer and the employee to criminal and/or civil liability.~~

~~(d) *Revocation or suspension.* Any license issued under this Division N may be revoked or suspended as provided in this division.~~

~~(e) *Transfers.* All licenses issued under this Division N shall be valid only on the premises for which the license was issued and only for the person to whom the license was issued to. The transfer of any license to another location, business, or person is prohibited.~~

~~(f) *Term.* All licenses issued under this division shall be effective for one year from the date of approval.~~

~~(g) *Renewals.* The renewal of a license issued under this division shall be handled in the same manner as the original application. The request for a renewal shall be made at least 30 days but no more than 60 days before the expiration of the current license.~~

~~(h) *Issuance as privilege and not a right.* The issuance of a license is a privilege and does not entitle the license holder to an automatic renewal of the license.~~

§ 14.299 LICENSE FEE.

~~The fee for a license to sell THC products shall be as set forth in City Code Appendix A for such location. The license fee shall cover the administrative and enforcement costs, including the conducting of compliance checks.~~

§ 14.300 LICENSE RESTRICTIONS.

~~(a) *Mobile sales.* No license shall be issued for the sale of THC products at a movable~~

~~place of business, unless the movable place of business is operated in an establishment licensed to sell THC products and all mobile sales are conducted within a building and within the licensed premises. Only fixed location businesses in an authorized zoning area shall be eligible to be licensed under this Division N.~~

~~(b) *Proximity to school.* No license shall be issued for a location within 500 feet of any school. The distance shall be measured in a straight line from the proposed lot line to the nearest point of the lot on which the school is located.~~

~~(c) *Exclusive liquor store.* No license shall be issued to an exclusive liquor store as defined in M.S. § 340A.101, as it may be amended from time to time.~~

~~(d) *Display.* All licenses shall be posted and displayed in plain view of the general public on the licensed premises.~~

~~(e) *Compliance checks.* As a condition of the license, the issuing authority, the City Police Department, those authorized under § 1.06 of this code to issue citations for a violation of the city code, or any other person designated by the City Council, shall have the right to conduct compliance checks and to enter, inspect, and search the licensed premises without a search and seizure warrant during the hours of operation. The city may conduct regular compliance checks of the licensed premises.~~

~~(f) *Responsibility.* All licensees are responsible for the action of their employees regarding the sale, offer to sell, or furnishing of THC products on the license premises. The sale, offer to sell, or furnishing of THC products by an employee shall be considered an act of the licensee.~~

§ 14.301 PROHIBITED ACTS.

~~(a) No person shall sell, offer for sale, or dispense any THC product to any person under the age of 21.~~

~~(1) *Age verification.* Licensees must verify by means of government issued photographic identification that the person is at least 21 years of age. Verification is not required for a person over the age of 30. That the person appeared to be 30 years of age or older does not constitute a defense to a violation of this subsection.~~

~~(2) *Signage.* Notice of the legal sale age and verification requirement must be always posted prominently and in plain view at each location where THC products are offered for retail sale.~~

~~(b) No person shall sell, offer for sale, or dispense any THC product:~~

~~(1) By means of any type of vending machine.~~

~~(2) By means of self-service merchandising. All THC products shall either be stored behind a counter or other area not freely accessible to customers, or in a case or other storage unit not left open and accessible to the public. This restriction shall not apply to a license holder under this division or a tobacco license holder under § 14.437 of this city code who derives at least 90% of their revenue from THC products or tobacco products, prohibits anyone under 21 years of age from entering the licensed premises at all times, and who~~

~~conspicuously displays a notice prohibiting persons under 21 years of age from entering the licensed premises.~~

~~(3) That is not in the original packaging with labeling in compliance with the M.S. § 151.72, as it may be amended from time to time.~~

~~(c) *Samples prohibited.* No person shall distribute sample of any THC product free of charge or at a nominal cost.~~

~~(d) *Use of false identification.* It shall be a violation of this Division N for any person to attempt to disguise their actual age using a false form of identification.~~

~~(e) *Unlawful purchase.* It shall be unlawful for any person under the age of 21 to purchase any THC product. Persons acting under the direct supervision of the city, law enforcement, or other governmental unit and are actively engaged in compliance checks of the licensed premises are exempt.~~

~~(f) No person shall sell or offer for sale any THC product by any other means, to any other person, or in any other manner or form prohibited by federal, state, or other local law, ordinance provision, or other regulation.~~

§ 14.302 SANCTIONS FOR LICENSE VIOLATIONS.

~~The imposition of a civil penalty shall be preceded by written notice to the licensee and an opportunity for an administrative hearing under § 1.17 of this code. The notice shall give at least eight calendar days' notice of the time and place of the hearing and shall state the nature of the charges against the licensee. The civil penalties for violations of this Division N or state laws governing the sale of THC products by the licensee or employee of the licensee are as follows:~~

~~(a) For a first violation, the fine as set forth in City Code Appendix A;~~

~~(b) For a second violation at the same location within five years of the first violation, the fine set forth in City Code Appendix A;~~

~~(c) For a third violation at the same location within five years of the first violation, the City Council shall suspend the licensee's authority to sell THC products at a public hearing for a minimum of seven days and impose a civil penalty set forth in City Code Appendix A; and~~

~~(d) For a fourth or subsequent violations at the same location within five years of the first violation, the City Council may at a public hearing revoke a license or suspend a license for up to 60 days, impose a civil penalty as set forth in City Code Appendix A for each additional violation, or impose any combination of these sanctions.~~

§ 14.303 PENALTY FOR INDIVIDUALS.

~~A violation of this Division N is a misdemeanor. Nothing in this Division N shall be construed to limit the city's other available remedies for any violation of law, including without limitation, criminal, civil, and injunctive relief.~~

§ 14.304 SEVERABILITY.

If any provision of this Division N is for any reason held to be invalid, such decision shall not affect the validity of the remaining provisions of this Division N.

§§ 14.296 to 14.304 RESERVED.

Section 3. That Chapter 14 of the City Code is hereby amended by deleting those words within brackets and ~~[stricken through]~~ and adding those words that are underlined, to read as follows:

**DIVISION L: CANNABIS BUSINESSES AND LOWER-POTENCY HEMP BUSINESSES
REGISTRATION**

§ 14.276 PURPOSE AND AUTHORITY.

The purpose of this section is to implement the provisions of Minnesota Statutes Chapter 342 and Bloomington City Charter § 1.02, which authorizes the City to protect the public health, safety, welfare of Bloomington residents by requiring registration and regulations of cannabis retail businesses in accordance with Minnesota law. The City recognizes that the unregulated use of cannabis products and lower-potency hemp products poses risks to the health, safety, and welfare of its residents, particularly those under the age of 21.

The City Council has the authority to adopt this ordinance pursuant to:

- (a) M.S. § 342.13(c), 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 retail business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses.
- (b) M.S. § 342.22, requires that cannabis retailers, medical cannabis retailers, medical cannabis combination businesses, cannabis microbusinesses with a retail operations endorsement, cannabis mezzobusinesses with a retail operations endorsement, and lower-potency hemp edible retailers register with the City before making retail sales to customers or patients, and the City is authorized to perform compliance checks of every such registered cannabis.

§ 14.277 DEFINITIONS.

Unless otherwise noted in this section, the words and phrases contained in M.S. § 342.01 and the rules promulgated by the Office of Cannabis Management pursuant shall have the same meanings in this city code.

CANNABIS RETAIL BUSINESS. A business that is licensed or required to be licensed by the State of Minnesota as a cannabis retailer, cannabis mezzobusiness with retail operations endorsement, cannabis microbusiness with retail operations endorsement, or medical cannabis combination business operating a retail location, and lower-potency hemp edible retailers.

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.

COMPLIANCE CHECK. The system used by the city to investigate and ensure that those authorized to sell products subject to licensing and registration are following and complying with the requirements of this article and state law. Compliance checks involve the use of persons under the age of 21 who purchase or attempt to purchase such products.

ISSUING AUTHORITY. The City of Bloomington License Section.

LOWER-POTENCY HEMP EDIBLE. As defined under M.S. § 342.01 subd. 50.

LOWER-POTENCY HEMP EDIBLE RETAILER. A hemp business, as defined by M.S. § 342.01, subd. 34, that holds a valid lower-potency hemp edible retail license.

OFFICE OF CANNABIS MANAGEMENT. Minnesota Office of Cannabis Management, herein referred to as “OCM”.

PARK ATTRACTION. An attraction within a public park that is regularly used by minors, including, but not limited to a playground or athletic field.

PERSON. One or more natural persons; a partnership, including a limited partnership; a corporation, including a foreign, domestic or nonprofit corporation; a trust; a political subdivision of the state; or any other business organization.

RESIDENTIAL TREATMENT FACILITY. As defined under M.S. § 245.462 subd. 23.

RETAIL REGISTRATION. An approved registration issued by the issuing authority to a state-licensed cannabis retail business.

RETAIL SALE. Any transfer of goods for money, trade, barter, or other consideration for cannabis or lower-potency hemp edible products.

SELF-SERVICE OR AUTOMATED SALE. Any sale, including online sales, of a cannabis product that is accessible to the public without the personal assistance of an employee of the licensed establishment.

SCHOOL. A public school as defined under M.S. § 120A.05 or a nonpublic school that must meet the reporting requirements under M.S. § 120A.24.

STATE LICENSE. An approved license issued by the State of Minnesota’s Office of Cannabis Management to a cannabis retail business.

§ 14.278 REGISTRATION.

No person shall operate a cannabis retail business or may make any sale, without first being registered by the issuing authority pursuant to M.S. § 342.22.

(a) Application Submittal. Registration shall be made by fully completing and submitting to the issuing authority the registration form provided by the City. The registration form shall contain the following information:

- (1) Full name and date of birth of the registrant.
- (2) Mailing address, email address, and telephone number for the registrant.
- (3) Legal name of the cannabis retail business to be registered.
- (4) A copy of the cannabis retail business' current license or license preapproval issued by OCM.
- (5) The address, full name of the property owner, and parcel ID of the property on which the cannabis retail business is to operate.
- (6) Signature of the registrant or the authorized agent of the legal entity registrant.
- (7) If the registrant is a legal entity, the following information shall be provided for the person designated as the general or primary manager on site: the full name, date of birth, mailing address, contact telephone number, email address; and
- (8) Any additional information the City deems necessary.

(b) Application Approval. The registration shall not be approved or renewed if the applicant is unable to meet the requirements of this section. A retail registration will be approved and in effect and only so long as the following requirements are met:

- (1) The registrant holds a valid license or license preapproval issued by OCM to the cannabis retail business.
- (2) The registrant paid the total sum of the initial registration fee and first year renewal fee as required in § 14.279 of this City Code and in the amounts set forth in City Code Appendix A;
- (3) If applicable, the cannabis retail business is current on all property taxes and assessments for the property on which the business is located; and
- (4) If the registration form is incomplete, the retail registration shall be not issued and the issuing authority will provide the applicant notice of the deficiencies.
- (5) Prior to issuance of a retail registration, the issuing authority and any other required or assigned City staff shall conduct a preliminary compliance check to ensure that the cannabis retail business is compliant with the zoning code, building code, and performance standards for cannabis retail businesses established in this section and elsewhere in this city code. Pursuant to M.S. § 342.13, within 30 days of receiving a

copy of a state license application from OCM, the issuing authority shall certify whether the registrant complies with city code.

- (c) Renewal of Registration. A retail registration shall be renewed when OCM renews the license of the business, provided that the cannabis retail business submits to the City a renewal registration form provided by the City, the information and documentation required by this section for a new application, and payment of the applicable renewal cannabis retail business registration fee established in City Code Appendix A.
- (d) Change in location. If a state-licensed cannabis retail business seeks to move to a new location within the City, it shall submit a new application for retail registration for the new location prior to the relocation. No additional registration fee or renewal fee shall be required for a change in location.
- (e) Registration is non-transferable. A retail registration issued under this section shall not be transferred to another person or to a different cannabis retail business.
- (f) Display of license and registration. Licenses issued by the OCM and retail registrations issued by the City shall be displayed in plain view for the public in the licensed premises.

§ 14.279 REGISTRATION FEE.

No retail registration shall be approved or renewed under this section until the applicable registration or renewal fee is paid in full. Fees shall be non-refundable upon payment and submission of a complete application for registration or renewal.

Registration and renewal fees shall be as set forth in City Code Appendix A. The initial and renewal registration fees shall be the maximum allowable as provided by M.S. § 342.22 and all fees in all other respects shall comply with the requirements of state law. The City may charge a renewal fee for the registration starting at the second renewal, as established in City Code Appendix A

§ 14.280 LOCATIONS INELIGIBLE FOR RETAIL REGISTRATION.

- (a) No retail registration under this code shall be granted to any location within 1000 feet of a school, or within 300 feet of a residential treatment facility or park attraction.
- (b) Exceptions. No lower-potency hemp edible retailer registration under this code shall be granted to any location within 300 feet of a school. Holders of an on-sale liquor license are not subject to the restrictions in this section and shall be permitted to register as a lower-potency hemp edible retailer with an on-sale endorsement.
- (c) The distance shall be measured in a straight line from the premises' lot line to the nearest point of the lot on which the school or residential treatment facility is located. For cannabis retail businesses and lower-potency hemp retailers located in shopping centers or business developments, as defined by chapter 21 of this city code, the distance shall be measured from the main entrance of the cannabis retail business. Measurements shall not extend across interstate highways I-494 or I-35W, or Minnesota State Aid Highway 77.
- (d) A location for which a state license and city registration was lawfully granted, and where a cannabis retail business has been in continuous operation, is not subsequently ineligible

for renewal by reason of proximity to a school, residential treatment facility, or park attraction that moves in after the initial state license and city retail registration were issued.

§ 14.281 RESTRICTIONS.

- (a) Hours of operation. Cannabis retail businesses are 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. on Sundays and 8:00 a.m. and 10:00 p.m. on all other days of week.
- (b) Age verification. No cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products shall be sold to any person under 21 years of age. Registrants shall verify by means of government issued photographic identification, as required by M.S. § 342.41, subd. 4, that a purchaser is at least 21 years of age. Registrants shall post signage advising of the minimum legal age for purchases. Notice of the legal sale age and verification requirement shall be posted prominently and in plain view.
- (c) Mobile Sales and delivery. All retail sales of cannabis, lower-potency hemp edibles, and hemp-derived consumer product must be conducted within a building and within the licensed and registered premises. A licensed or registered cannabis retail business must hold a cannabis delivery service license under M.S. § 342.41 prior to conducting cannabis, lower-potency hemp edible, or hemp-derived consumer product delivery services in the City.
- (d) Zoning. The registered business shall comply with all provisions of this chapter and with zoning regulations in chapter 21 of this City Code. The registered business shall comply with all Minnesota laws and licensing conditions regulating cannabis retail businesses.
- (e) Display and storage. The display and storage of cannabis flower, cannabis products, lower-potency hemp edibles and hemp-derived consumer products shall be in accordance with M.S. § 342.27.
- (f) Self-Service or Automated Sale. No person shall provide any cannabis product, lower-potency hemp edible, or hemp-derived product to any person by means of Self-Service or Automated Sale. All retail sales shall be done with the assistance of an employee.
- (g) Samples prohibited. No person shall distribute samples of any cannabis or lower-potency hemp edible product free of charge or at a nominal cost.

§ 14.282 ENFORCEMENT.

- (a) Those persons listed in § 1.06 of this city code are responsible for the administration and enforcement of this Division L. Violations of this ordinance can occur regardless of whether or not a registration is required for a regulated activity listed in this Division L.
- (b) Age Verification Compliance checks. All cannabis retail businesses licensed by OCM and registered by the city shall be open to inspection by the city during the regular business hours of the business. From time to time, but no less than once per calendar year, the city will conduct unannounced age verification compliance checks to ensure compliance with

the provisions of M.S. Ch. 342 and this article. All age verification compliance check failures will be reported to OCM.

§ 14.283 SANCTIONS FOR VIOLATIONS.

- (a) *Suspension of Registration.* A suspension of a retail registration issued under this Division L shall take place in accordance with M.S. § 342.22. The issuing authority may suspend a retail registration if it violates this Division L or poses an immediate threat to the health or safety of the public. The issuing authority shall immediately notify the cannabis retail business in writing of the grounds for the suspension.
- (1) *Public hearing.* Prior to suspension of a retail registration, the issuing authority shall provide written notice to the registrant and a public hearing before the City Council. The notice shall give at least eight calendar days' notice of the time and place of the hearing and shall state the nature of the charges against the registrant.
 - (2) *Reinstatement.* The issuing authority may reinstate a retail registration if OCM determines the violation(s) have been resolved or if OCM revokes or suspends the state-license for a period less than the suspension issued by the City Council.
- (b) *Notification to OCM.* The issuing authority shall immediately notify the OCM in writing the grounds for the suspension.
- (c) *Civil Penalties.* Subject to M.S. 342.22, subd. 5(e) the City may impose a civil penalty for a violation of this Division L, not to exceed \$2,000.
- (1) Any state-licensed cannabis retail business that sells to a customer or patient without valid retail registration shall incur a civil penalty of \$2,000 for each violation.
 - (2) For a first violation, other than sale without a retail registration, the fine as set forth in City Code Appendix A;
 - (3) For a second violation, other than sale without a retail registration, at the same location within five years of the first violation, the fine set forth in City Code Appendix A;
 - (4) For a third violation, other than sale without a retail registration, at the same location within five years of the first violation, the City Council shall suspend the retail registration after a public hearing for a minimum of seven (7) calendar days and impose a civil penalty set forth in City Code Appendix A; and
 - (5) For a fourth or subsequent violations at the same location within five years of the first violation, the City Council shall suspend a retail registration after a public hearing for thirty (30) calendar days unless OCM suspends the license for a longer period, impose a civil penalty as set forth in City Code Appendix A for each additional violation, or impose any combination of these sanctions.

§ 14.284 PENALTY FOR INDIVIDUALS.

Any violation of the provisions of this Division L or failure to comply with any of its requirements constitutes a misdemeanor and is punishable as defined by law. Nothing in this

Division L shall be construed to limit the city's other available remedies for any violation of law, including without limitation, criminal, civil, and injunctive relief.

§ 14.285 SEVERABILITY.

If any part, term, or provision of this Division L is held by a court of competent jurisdiction to be invalid, preempted by state law, or unconstitutional, such portion shall be deemed severable and such unconstitutionality or invalidity shall not affect the validity of the remaining portions of this article, which remaining portions shall continue in full force and effect.

§ 14.286 RESERVED.

Section 4. That Appendix A of the City Code is hereby amended by deleting those words within brackets and ~~[stricken through]~~ and adding those words that are underlined, to read as follows:

<i>Chapter 14: Licenses and Permits</i>			
<i>CODE SECTION</i>	<i>CROSS- REF</i>	<i>DESCRIPTION</i>	<i>FEE</i>
<u>§ 14.279</u>		<u>Cannabis Retail Business Registration</u>	
		<u>Initial Registration (includes first renewal). Excludes Cannabis Microbusiness.</u>	<u>\$500</u>
		<u>Renewal Registration (beginning with second renewal)</u>	<u>\$1,000</u>
		<u>Lower-potency Hemp Edible Retail Business Registration</u>	<u>\$125</u>
	§ 14.278	Medical Marijuana Distribution Facility	\$3,100
	§ 14.280 (b)(1)	Medical Marijuana Distribution Facilities— License Investigation Fee Deposit	\$500 minimum deposit to cover costs and expenses up to a max of \$1,500 for additional investigation costs.
	§ 14.280 (b)(2)	Medical Marijuana Distribution Facilities— Additional License Investigation Fee Deposit	\$100

		for Change of Managing Partner, Store or General Manager, Proprietor	
§ 14.280(a)(1)		Medical Marijuana Distribution Facilities-- Application Fee	See "Medical Marijuana Distribution Facilities" in "LICENSES AND PERMIT FEES" table above at § 14.03.
§ 14.280(b)(1)		Medical Marijuana Distribution Facilities-- License Investigation Fee Deposit	See "Medical Marijuana Distribution Facilities" in "LICENSES AND PERMIT FEES" table above at § 14.03.
§ 14.280(b)(2)		Medical Marijuana Distribution Facilities-- Additional License Investigation Fee Deposit for Change of Managing Partner, Store or General Manager, Proprietor	See "Medical Marijuana Distribution Facilities" in "LICENSES AND PERMIT FEES" table above at § 14.03.]
§ 14.299	-	THC product retail license for each location	\$175

Cannabis Retail Business [~~THC Products~~] Sanctions and Penalties

§ 14.283 [§ 14.302]	§ 14.302(a)	First violation	[\$300] <u>\$1000</u>
	§ 14.302(b)	Second violation at same location within five years of the first violation	[\$600] <u>\$1,250</u>
	§ 14.302(c)	Third violation at same location within five years of the first violation	[\$1,000] <u>\$2,000</u>
	§ 14.302(d)	Fourth violation at same location within five years of the first violation	[\$1,000] <u>\$2,000</u>

		<u>Retail sale without a retail registration</u>	<u>\$2,000</u>
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Section 4 . Effective Date. This Ordinance shall be in full force and effect from and after its passage and publication according to law.

Passed and adopted this 28th day of October, 2024.

DocuSigned by:

Tim Beuse

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Mayor

ATTEST:

Signed by:

Safaa Mercer

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Secretary to the Council

APPROVED:

DocuSigned by:

Melissa J. Manderschied

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City Attorney