

Ordinance No. 2024-18

An Ordinance relating to registration of cannabis retail businesses; amending chapter 6 of the Minnetonka City Code by adding a new section 650; amending section 710.005 of the Minnetonka City Code

The City of Minnetonka Ordains:

Section 1. Findings

Section 2. Chapter 6 of the Minnetonka City Code is amended by adding a new Section 650, as follows:

SECTION 650. CANNABIS RETAIL BUSINESSES

650.05. Administration

1. Findings and Purpose.

The city council makes the following legislative findings: The purpose of this ordinance is to implement the business registration provisions of Minnesota Statutes, chapter 342, which authorizes the city to protect the public health, safety, welfare of Minnetonka residents by regulating cannabis retail businesses within the legal boundaries of the city.

2. Authority and jurisdiction.

The city council has the authority to adopt this ordinance pursuant to Minn. Stat. 342.22, regarding the local registration and enforcement requirements of state-licensed cannabis retail businesses and lower-potency hemp edible retail businesses.

3. Severability.

If any section, clause, provision, or portion of this ordinance is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of this ordinance will not be affected thereby.

4. Enforcement.

The community development director or designee is responsible for the administration and enforcement of this ordinance.

650.10. Definitions.

1. Unless otherwise noted in this section, words and phrases contained in Minn. Stat. 342.01 and the rules promulgated pursuant to any of these acts have the same meanings in this ordinance.

The ~~stricken~~ language is deleted; the underlined language is inserted.

2. “Cannabis retail business” means a retail location and the retail location(s) of a cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, or medical cannabis combination business, or lower-potency hemp edible retailer.
3. “Cannabis retailer” means 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.
4. “Director” means the director of the city’s community development department.
5. “Office of Cannabis Management” or “OCM” means the Minnesota Office of Cannabis Management.
6. “Retail registration” means an approved registration issued by the city to a state licensed cannabis retail business.
7. “Secondary retailer” means a cannabis retailer who requires a state license solely because the retailer sells lower-potency hemp edible product and for whom the sale of lower-potency hemp edibles constitutes less than a majority of its retail sales.
8. “State license” means an approved license issued by the OCM to a cannabis retail business.

650.15. Registration of Cannabis Businesses

1. Registration required. No individual or entity may operate a state-licensed cannabis retail business within the city without first registering with the city.
2. Registrations limited. The number of cannabis retail business registrations that may be issued is limited to five; except that there is no limit on the number of registrations that may be issued for secondary retailers.
3. Zoning verification. No cannabis retail business registration may be approved until the city has determined that the proposed cannabis retail business complies with city zoning ordinances. Pursuant to Minn. Stat. 342, within 30 days of receiving a copy of a state license application from OCM, the city will certify on a form provided by OCM whether a proposed cannabis retail business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code.
4. Fees. A registration fee will be charged to applicants, as set forth at section 710 of this code. The initial registration fee includes the fee for initial retail registration and the first annual renewal of the registration. A renewal fee will be charged at the time of the second renewal and each subsequent renewal thereafter, as set forth at section 710 of this code. All fees are nonrefundable.

5. Application procedure.

a) An applicant for a retail registration must submit an application to the city, on a form provided by the city. The applicant must provide all information required by the form, including, but not limited to:

- (1) Full name(s) of the property owner and applicant;
- (2) Address, email address, and telephone number of the applicant;
- (3) The address and parcel ID for the property for which the retail registration is sought; and
- (4) Certification that the applicant complies with the requirements of local ordinances established pursuant to Minn. Stat. 342.13.

b) The application must be accompanied by:

- (1) The application fee as required by subdivision 4 of this section; and
- (2) A copy of a valid state license or written notice of OCM license preapproval.

c) Completed applications will be submitted to the director for approval or denial.

d) Applications will be reviewed in the order in which they are received.

6. Application Approval.

a) An application may not be approved if the cannabis retail business would exceed the maximum number of registered cannabis retail businesses permitted under subdivision 2 of this section.

b) An application may not be approved or renewed if the applicant is unable to meet the requirements of this ordinance.

c) An application that meets a) and b) above and the following requirements must be approved:

- (1) The applicant must have a valid license issued by the OCM that allows retail sales;
- (2) The applicant must have paid the registration fee or renewal fee required by this section;
- (3) The location for the cannabis retail business must comply with applicable zoning ordinances; and,

(4) All property taxes and assessments for the location where the retail establishment will be located must be current.

7. Nontransferable. Registrations issued under this ordinance may not be transferred to other state licensed cannabis businesses.

650.20 Locations Ineligible for Registration

No cannabis retail business may be located:

1. Within 1,000 feet from any elementary, middle, or high school or within 500 feet from any attraction within a public park that is regularly used by minors, such as playgrounds, athletic facilities, splash pads, and beaches; or
2. On a property with delinquent property taxes, assessments or other financial claims of a government agency.

650.25 Compliance Checks.

1. From time to time, but at least once per year, the city will conduct unannounced compliance checks of every registered cannabis business to assess if the business meets age verification requirements, as required by state law and this section 650.

2. The city will conduct a compliance check that involves the participation of a person at least 17 years of age, but under the age of 21, to enter the registered premises to attempt to purchase adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp –derived consumer products. Persons under the age of 18 may participate only with the prior written consent of a parent or guardian. All persons used for the purpose of compliance checks must be directly supervised by law enforcement or other designated personnel. No person used in compliance checks may attempt to use a form of identification that misrepresents the person's age. All persons lawfully engaged in a compliance check must answer all questions about their age asked by the licensee or their employee, and produce any identification, if any exists, for which they are asked.

3. The director must report any failures under this section to the OCM.

650.30 Location Change

A state-licensed cannabis retail business is required to submit a new application for registration under section 650.15 if it seeks to move to a new location within the city.

650.35 Renewal of Registration

Every registered cannabis retail business must apply for renewal annually, at the time its state license is renewed. Renewals are processed according to the procedure in section 650.15 of this code.

650.40 Suspension of Registration

1. Suspension. The director may suspend a cannabis retail business's registration for up to 30 days upon a determination that (a) the business is not operating in compliance with state law or city ordinance or (b) that the operation of the business poses an immediate threat to the health or safety of the public.

2. Notification; OCM investigation. When the director determines that a suspension is warranted, the director must promptly send a written notice to the registered cannabis retail business and to the OCM. The notice must inform the business and OCM of the pending or immediate suspension of the license, as provided at subdivision 3 of this section, the length of the suspension period, and the grounds for the suspension.

3. Effective date of suspension. A suspension issued by the director under subdivision 1(a) will not become effective until the OCM has determined whether to suspend the license of the registered cannabis retail business. The city's suspension period will run concurrently with any suspension of license by the OCM. A suspension issued by the director under subdivision 1(b) will be effective on the date stated in the notice.

4. Reinstatement. The community development director may reinstate a suspended registration if the director determines that all violations have been cured and must reinstate the registration if the OCM orders reinstatement.

5. No sales. A cannabis retail business may not make sales to customers while its registration is suspended.

650.45 Penalties

1. Civil penalties. Subject to Minn. Stat. 342.22, subd. 5(e) the city council may impose a civil penalty for registration violations, not to exceed \$2,000.

2. Criminal penalties. Any violation of the provisions of this ordinance or failure to comply with any of its requirements constitutes a misdemeanor and is punishable as defined by law.

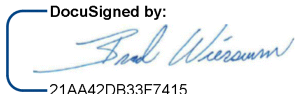
Section 3. Section 710.005, paragraph 7 of the Minnetonka City Code is amended to read as follows:

<u>7.</u>	<u>cannabis retail business registration</u>		<u>650.15</u>
	<u>cannabis microbusiness – initial and first renewal</u>	<u>\$0.00</u>	
	<u>cannabis microbusiness – second or subsequent renewal</u>	<u>\$1,000.00</u>	
	<u>cannabis mezzobusiness – initial and first renewal</u>	<u>\$500.00</u>	
	<u>cannabis mezzobusiness – second or subsequent renewal</u>	<u>\$1,000.00</u>	
	<u>cannabis retailer – initial and first renewal</u>	<u>\$500.00</u>	
	<u>cannabis retailer – second or subsequent renewal</u>	<u>\$1,000.00</u>	
	<u>medical cannabis combination business – initial and first renewal</u>	<u>\$500.00</u>	
	<u>medical cannabis combination business – second or subsequent renewal</u>	<u>\$1,000.00</u>	
	<u>lower-potency hemp edible retailer –initial and first renewal</u>	<u>\$125.00</u>	
	<u>lower-potency hemp edible retailer –second or subsequent renewal</u>	<u>\$125.00</u>	

Section 4. A violation of this ordinance is subject to the penalties and provisions of Chapter XIII of the city code.


Section 5. This ordinance is effective 30 days after publication.

Adopted by the city council of the City of Minnetonka, Minnesota, on Nov. 18, 2024.

DocuSigned by:

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 Brad Wiersum, Mayor

Attest:

DocuSigned by:

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 Becky Koosman, City Clerk

The ~~stricken~~ language is deleted; the underlined language is inserted.

Action on this Ordinance:

Date of introduction: Oct. 7, 2024

Date of adoption: Nov. 18, 2024

Motion for adoption: Schack

Seconded by: Foster-Bolton

Voted in favor of: Wilburn, Calvert, Ramaley, Coakley, Foster-Bolton, Schack, Wiersum

Voted against: None

Abstained: None

Absent: None

Ordinance adopted.

Date of publication: Dec. 5, 2024

I certify that the foregoing is a true and correct copy of an ordinance adopted by the city council of the City of Minnetonka, Minnesota, at a meeting held on Nov. 18, 2024.

Becky Koosman, City Clerk