

440 - Cannabis Business Regulations

440.01 Administration.

Subd. 1. Findings and Purpose. The purpose of this ordinance is to implement the provisions of Minnesota Statutes, chapter 342, which authorizes City of Blue Earth to protect the public health, safety, welfare of City of Blue Earth residents by regulating cannabis businesses within the legal boundaries of City of Blue Earth. City of Blue Earth finds and concludes that the proposed provisions are appropriate and lawful land use regulations for City of Blue Earth, that the proposed amendments will promote the community's interest in reasonable stability in zoning for now and in the future, and that the proposed provisions are in the public interest and for the public good.

Subd. 2. Authority & Jurisdiction. City of Blue Earth has the authority to adopt this ordinance pursuant to:

A. Minn. Stat. 342.13(c), regarding the authority of a local unit of government to adopt reasonable restrictions of the time, place, and manner of the operation of cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses.

B. Minn. Stat. 342.22, regarding the local registration and enforcement requirements of state-licensed cannabis retail businesses and lower-potency hemp edible retail businesses.

C. Minn. Stat. 152.0263, Subd. 5, regarding the use of cannabis in public places.

D. Minn. Stat. 462.357, regarding the authority of a local authority to adopt zoning
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Ex Ordinance shall be applicable to the legal boundaries of City of Blue Earth
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Subd. 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 shall not be affected thereby.

Subd. 4. Enforcement. The City Administrator and Chief of Police are responsible for the administration and enforcement of this section. Any violation of the provisions of this section or failure to comply with any of its requirements constitutes a misdemeanor and is punishable as defined by law. Violations of this ordinance can occur regardless of whether or not a permit is required for a regulated activity listed in this ordinance.

Subd. 5. Definitions. 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, shall have the same meanings in this ordinance.

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

B. Cannabis Retail Businesses: A retail location and the retail location(s) of a mezzobusinesses with a retail operations endorsement, microbusinesses with a retail operations endorsement, medical combination businesses operating a retail location, and lower-potency hemp edible retailers.

C. 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

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

E. Lower-potency Hemp Edible: As defined under Minn. Stat. 342.01 subd. 50.

F. Office of Cannabis Management: Minnesota Office of Cannabis Management, referred to as “OCM” in this ordinance.

G. Place of Public Accommodation: A business, accommodation, refreshment, entertainment, recreation, or transportation facility of any kind, whether licensed or not, whose goods, services, facilities, privileges, advantages or accommodations are extended, offered, sold, or otherwise made available to the public.

H. Preliminary License Approval: OCM pre-approval for a cannabis business license for applicants who qualify under Minn. Stat. 342.17.

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

J. Residential Treatment Facility: As defined under Minn. Stat. 245.462 subd. 23.

K. Retail Registration: An approved registration issued by the City of Blue Earth to a state-licensed cannabis retail business.

L. School: A public school as defined under Minn. Stat. 120A.05 or a nonpublic school that must meet the reporting requirements under Minn. Stat. 120A.24.

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

440.02 Registration of Cannabis Businesses.

Subd. 1. Consent to Registering of Cannabis Businesses. No individual or entity may operate a state-licensed cannabis retail business within City of Blue Earth without first registering with the City of Blue Earth. Any state-licensed cannabis retail business that sells to a customer or patient without valid retail registration shall incur a civil penalty of \$2,000.00 for each violation. Notwithstanding the foregoing provisions, the state shall not issue a license to any cannabis business to operate in Indian country, as defined in United States Code, title 18, section 1151, of a Minnesota Tribal government without the consent of the Tribal government.

Subd. 2. Compliance Checks Prior to Retail Registration. Prior to issuance of a cannabis retail business registration, City of Blue Earth shall conduct a preliminary compliance check to ensure compliance with local ordinances. Pursuant to Minn. Stat. 342, within 30 days of receiving

a copy of a state license application from OCM, City of Blue Earth shall 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

Subd. 3. Registration & Application Procedure.

A. City of Blue Earth shall not charge an application fee. A registration fee, as established in City of Blue Earth's fee schedule, shall be charged to applicants depending on the type of retail business license applied for.

B. An initial retail registration fee shall not exceed \$500 or half the amount of an initial state license fee under Minn. Stat. 342.11, whichever is less. The initial registration fee shall include the initial retail registration fee and the first annual renewal fee. Any renewal retail registration fee imposed by City of Blue Earth shall be charged at the time of the second renewal and each subsequent renewal thereafter.

C. A renewal retail registration fee shall not exceed \$1,000 or half the amount of a renewal state license fee under Minn. Stat. 342.11, whichever is less.

D. A medical combination business operating an adult-use retail location may only be charged a single registration fee, not to exceed the lesser of a single retail registration fee, defined under this section, of the adult-use retail business.

E. The City of Blue Earth shall issue a retail registration to a state-licensed cannabis retail business that adheres to the requirements of Minn. Stat. 342.22.

F. An applicant for a retail registration shall fill out an application form, as provided by the City of Blue Earth. Said form shall include, but is not limited to:

1. Full name 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 which the retail registration is sought;
4. Certification that the applicant complies with the requirements of local ordinances established pursuant to Minn. Stat. 342.13.

G. The applicant shall include with the form:

1. The registration fee
2. A copy of a valid state license or written notice of OCM license preapproval;

H. Once an application is considered complete, the City Administrator or Chief of Police shall inform the applicant as such, process the application fees, and forward the application to the City Council for approval or denial.

1. The application fee shall be non-refundable once processed.

Subd. 4. Application Approval

A. A state-licensed cannabis retail business application shall not be approved if the cannabis retail business would exceed the maximum number of registered cannabis retail businesses permitted by this section.

B. A state-licensed cannabis retail business application shall not be approved or renewed if the applicant is unable to meet the requirements of this section.

C. A state-licensed cannabis retail business application that meets the requirements of this ordinance shall be approved.

D. Once a registration application is approved by the City for a location, the registered retail business shall have 12 months to determine and prepare its license location and obtain the final license approval from the Office of Cannabis Management for said final location. If the registration holder fails to do so within said time period, said registration shall become null and void and said retail business shall need to re-apply for a registration from the City, subject to the limitation on the total number of registrations allowed in the City as stipulated in Subd. 12 of this Subsection.

Subd. 5. Annual Compliance Checks. The City of Blue Earth shall complete at minimum one compliance check per calendar year of every cannabis business to assess if the business meets age verification requirements, as required under Minn. Stat. 342.22 Subd. 4(b) and Minn. Stat. 342.24 and this Section. The City of Blue Earth shall conduct at minimum one unannounced age verification compliance check at least once per calendar year. Age verification compliance checks shall involve persons at least 17 years of age but under the age of 21 who, with the prior written consent of a parent or guardian if the person is under the age of 18, attempt to purchase adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products under the direct supervision of a law enforcement officer or an employee of the local unit of government. Any failures under this section must be reported to the Office of Cannabis Management.

Subd. 6. Location Change. A state-licensed cannabis retail business shall be required to submit a new application for registration under Subsection 440.02 if it seeks to move to a new location still within the legal boundaries of City of Blue Earth after receiving the registration from the City.

Subd. 7. Renewal of Registration. The City of Blue Earth shall renew an annual registration of a state-licensed cannabis retail business at the same time OCM renews the cannabis retail business' license. A state-licensed cannabis retail business shall apply to renew registration on a form established by City of Blue Earth. A cannabis retail registration issued under this Section shall not be transferred.

Subd. 8. Renewal Fees. The City of Blue Earth may charge a renewal fee for the registration starting at the second renewal, as established in City of Blue Earth's fee schedule.

Subd. 9. Renewal Application. The application for renewal of a retail registration shall include, but is not limited to:

A. Items required under Subsection 440.02 of this Section.

Subd. 10. Suspension of Registration

A. The City of Blue Earth may suspend a cannabis retail business's registration if it violates the ordinance of City of Blue Earth or poses an immediate threat to the health or safety of the public. The City of Blue Earth shall immediately notify the cannabis retail business in writing the grounds for the suspension.

B. The City of Blue Earth shall immediately notify the OCM in writing the grounds for the suspension. OCM will provide City of Blue Earth and cannabis business retailer a response to the complaint within seven calendar days and perform any necessary inspections within 30

calendar days.

C. 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.

D. The City of Blue Earth may reinstate a registration if it determines that the violations have been resolved.

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

Subd. 11. Civil Penalties. Subject to Minn. Stat. 342.22, subd. 5(e) the City of Blue Earth may impose a civil penalty, as specified in the City of Blue Earth's Fee Schedule, for registration violations, not to exceed \$2,000.

Subd. 12. Limiting of Registrations. The City of Blue Earth shall limit the number of cannabis retail businesses to a maximum of three (3) within the legal corporate boundaries of the City.

440.03 Requirements for Cannabis Businesses.

Subd. 1. Zoning and Land Use.

A. Cannabis businesses licensed or endorsed for cultivation are permitted in the following zoning districts:

1. AG Agricultural Preservation

B. Cannabis businesses licensed or endorsed for cannabis manufacturer are permitted in the following zoning districts:

1HBLI Highway Business Light Industry

C. Businesses licensed or endorsed for low-potency hemp edible manufacturers are permitted in the following zoning districts:

1. HBLI Highway Business Light Industry

D. Cannabis businesses licensed or endorsed for wholesale are permitted in the following zoning districts:

1. HBLI Highway Business Light Industry

E. Cannabis businesses licensed or endorsed for cannabis retail are permitted in the following zoning districts:

1. HBLI Highway Business Light Industry

2. CBD Central Business District

3. SBI Small Business Light Industry

F. Cannabis businesses licensed or endorsed for transportation are permitted as a (type of use) in the following zoning districts:

1. HBLI Highway Business Light Industry

G. Cannabis businesses licensed or endorsed for delivery are permitted as a (type of use) in the following zoning districts:

1. HBLI Highway Business Light Industry

Subd. 2. Hours of Operation. Cannabis 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 Monday-Saturday 8a-2a and on Sunday from 10a-2a.

Subd. 3. Advertising. Cannabis businesses are permitted to erect up to two fixed signs on the exterior of the building or property of the business, unless otherwise limited by the City of Blue Earth's sign ordinances.

440.04 Temporary Cannabis Events

Subd. 1. License Required. A license or permit is required to be issued and approved by City of Blue Earth prior to holding a Temporary Cannabis Event

Subd. 2. Registration & Application Procedure. A registration fee, as established in City of Blue Earth's fee schedule, shall be charged to applicants for Temporary Cannabis Events.

Subd. 3. Application Submittal & Review. The City of Blue Earth shall require an application for Temporary Cannabis Events.

A. An applicant for a retail registration shall fill out an application form, as provided by the City of Blue Earth. Said form shall include, but is not limited to:

1. Full name of the property owner and applicant;
2. Address, email address, and telephone number of the applicant;

B. Applicant shall include with the form:

4. The application fee;
5. A copy of the OCM cannabis event license application, submitted pursuant to 342.39.

C. The application shall be submitted to the City of Blue Earth, or other designee for review. If the designee determines that a submitted application is incomplete, they shall return the application to the applicant with the notice of deficiencies.

D. Once an application is considered complete, the designee shall inform the applicant as such, process the application fees, and forward the application to the (insert staff/department, or elected body that will approve or deny the request) for approval or denial.

E. The application fee shall be non-refundable once processed.

F. The application for a license for a Temporary Cannabis Event shall meet the following standards:

1. A request for a Temporary Cannabis Event that meets the requirements of this Section shall be approved.
2. A request for a Temporary Cannabis Event that does not meet the requirements of this Section shall be denied. The City of Blue Earth shall notify the applicant of the standards not met and basis for denial.
3. Temporary cannabis events shall only be held at (insert place).
4. Temporary cannabis events shall only be held between the hours of (insert start time and stop time).

440.05 Lower-Potency Hemp Edibles.

Subd. 1. Sale of Low-Potency Hemp Edibles. The sale of Low-Potency Edibles is permitted, subject to the conditions within this Section.

Subd. 2. Zoning Districts. Low-Potency Edibles businesses are permitted as a permitted

use in the following zoning districts:

A. HBLI Highway Business Light Industry

Subd. 3. Sales Within Municipal Liquor Stores. The sale of Low-Potency Edibles is permitted in a Municipal Liquor Store.

Subd. 4. Age Requirements. The sale of Low-Potency Edibles is permitted only in places that admit persons 21 years of age or older.

Subd. 5. Beverages. The sale of Low-Potency Hemp Beverages is permitted in places that meet the requirements of this Section.

Subd. 6. Storage of Product. Low-Potency Edibles shall be sold behind a counter and stored in a locked case.

440.06 Local Government as a Cannabis Retailer. City of Blue Earth may establish, own, and operate one municipal cannabis retail business subject to the restrictions in this chapter. The municipal cannabis retail store shall not be included in any limitation of the number of registered cannabis retail businesses under Subsection 440.02. The City of Blue Earth shall be subject to all the same rental license requirements and procedures applicable to all other applicants.

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



**CANNABIS BUSINESS REGISTRATION
AND ZONING APPROVAL APPLICATION FORM**

APPLICANT: *Check only if Renewal [] Application*

Name _____ and/or

Organization _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Email: _____

Business License to be Registered with the City (Attach License issued by the State of Minnesota)

LOCATION FOR BUSINESS:

Business Location: _____ Parcel I.D. # _____

Owner of Real Property if not Applicant: _____

(Attach a Copy of the Lease Agreement with Owner to Form)

Address: _____

City: _____ State: _____ Zip: _____

Mobile: _____ Email: _____

FOR THE CITY:

City Clerk/Administrator:

Receipt of Registration Fee: ☐ Check # _____ Cash ☐ Credit Card ☐

Review of State License: Approved ☐ Denied ☐ Date: _____

Reason for Denial: _____

Signature: _____

City Clerk/Administrator Location/Zoning: Approved ☐ Denied ☐ Date: _____

Reason for Denial: _____

Signature: _____

Police Chief: Background Check Approved ☐ Denied ☐ Date: _____

Reason for Denial: _____

Signature: _____