



Cannabis and Hemp Retail Registration and Events Ordinance

April 15, 2025

Agenda



- **Need for ordinance changes (State law changes)**
 - State regulatory framework with limited local control
- **Local control options for the City addressed in two ordinances**
 - Retail Business Registration and Events Ordinance
 - Land Development Code Amendments
 - This will be presented in a future meeting

Cannabis Ordinance Changes under Chapter 30



- Ordinance No. 1076 repeals and replaces the City's current edible cannabinoid product ordinance
- Edible cannabinoid product sellers currently must register with the OCM but will be required to apply for lower-potency hemp edible retailer licenses and City registration when the OCM begins issuing licenses for hemp businesses

Cannabis and Hemp Retail Businesses



- **Two Categories of Retailers**
 - Cannabis Retail Businesses
 - Sell cannabis and cannabis-derived products directly to consumers
 - City can limit the number of registrations issued
 - Lower-potency hemp edible (LPHE)retailers
 - Sell LPHE products similar to those currently being sold
 - No limitation on number of registrations

Local Registration Requirement



- Under State Law, cannabis and hemp retail businesses must register with the City before making any sales to customers in the City
 - If the City does not intend to register retail businesses, it can delegate this authority to the County
- The City may, by ordinance, limit the number of licensed cannabis retailers, cannabis mezzobusinesses with a retail operations endorsement, and cannabis microbusinesses with a retail operations endorsement to no fewer than one registration for every 12,500 residents
 - There is no upper limit imposed by the State for any individual city
 - The proposed ordinance includes a limit of two cannabis business retail registrations for the City

Local Registration Violation and Enforcement



- Penalties for violations – administrative fines generally align with those for tobacco violations
- All suspensions for violations imposed by the City are subject to OCM review
- The City would also report violations to OCM for OCM's own investigation and enforcement process

Cannabis and Hemp Retail Business Regulations



- Regulations and prohibited acts contained throughout reflect those in Minnesota Statutes, Chapter 342
- State law requires a zoning compliance check by the City for any cannabis business prior to the issuance of a state license

On-Site Consumption



- On-site consumption of cannabis products may only occur at cannabis microbusinesses (with the necessary state endorsement) or at a temporary cannabis event (if permitted by the City)
- On-site consumption of LPHEs may occur at LPHE retailers with the necessary state endorsement

Policy Options: Retail Limitations



- Limit on registering retail businesses in the City (Sec. 30-122)
 - No fewer than one registration for every 12,500 residents in City
 - Ordinance 1076 is drafted to allow no fewer than **2** registered cannabis retail businesses in the City
 - The City could allow more or an unlimited number of cannabis retail businesses to register in the City

Policy Options: Hours of Operation



- Hours of Operation for Cannabis Retail Businesses (Sec. 30-140)
 - By statutes, such businesses cannot sell cannabis flower or products between 2:00 a.m. and 8:00 a.m. on Monday through Saturday nor between 2:00 a.m. and 10:00 a.m. on Sunday.
 - The City may prohibit sales for any period between 9:00 p.m. and 2:00 a.m. the following day or between 8:00 a.m. and 10:00 a.m. on the days of Monday through Saturday.
 - Ordinance 1076 is drafted to limit hours of retail operation to between **10:00 a.m. and 10:00 p.m.**

Policy Options: Temporary Cannabis Event Hours



- Temporary cannabis event may last no more than four days and require a local permit
- Cities may establish reasonable requirements and restrictions on temporary cannabis events, including hours of operation
- Under Ordinance 1076 a temporary cannabis event may be open each day between **10:00 a.m. and 10:00 p.m.** (Sec. 30-195)

Policy Options: On-Site Consumption at Temporary Cannabis Events



- On-site consumption at temporary cannabis events must be approved by the City (Sec. 30-193)
- The consumption of alcohol and tobacco at such events is not permitted under state law
- The City may enact and enforce measures to protect individuals from secondhand smoke
- The City could choose to limit on-site consumption in Ordinance 1076
- This would be addressed under Division 4

Final Notes



- OCM will be licensing businesses imminently, particularly cannabis microbusinesses, which may have a retail component
- Event licenses will not be issued until the summer, at the earliest
- LPHE licenses will not be issued until the fall, at the earliest
- The legislature is likely to continue amending this law

Questions?