

CITY OF WELLS
COUNTY OF FARIBAULT
STATE OF MINNESOTA

ORDINANCE NO. 2024-05

**AN ORDINANCE AMENDING EXISTING REGISTRATION REQUIREMENTS FOR
THE SALE OF CANNABIS PRODUCTS AND TO REGULATE DISTANCE OF
CANNABIS AND LOWER-POTENCY HEMP EDIBLE RETAILERS FROM SCHOOLS**

THE CITY COUNCIL OF THE CITY OF WELLS HEREBY ORDAINS AS FOLLOWS:

SECTION 1. City Code of Ordinances, Title XI: Business Regulations, Chapter 115, Section 115.02 is amended to add the additional underscored text to read as follows:

Section 115.02 Definitions.

The following words, terms and phrases, when used in this Chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Adult-use Cannabis Concentrate means cannabis concentrate that is approved for sale by the Office or is substantially similar to a product approved by the Office. Adult-use cannabis concentrate does not include any artificially derived cannabinoid.

Adult-use Cannabis Flower means cannabis flower that is approved for sale by the Office or is substantially similar to a product approved by the Office. Adult-use cannabis flower does not include medical cannabis flower, hemp plant parts, or hemp-derived consumer products.

Adult-use Cannabis Product means a cannabis product that is approved for sale by the Office or is substantially similar to a product approved by the Office. Adult-use cannabis product includes edible cannabis products but does not include medical cannabinoid products or lower-potency hemp edibles. Adult use products may also include products made from Adult-use Cannabis Concentrate, Adult-use Cannabis Flower, Artificially Derived Cannabinoid, Cannabis Concentrate, and Cannabis Flower.

Artificially Derived Cannabinoid means a cannabinoid extracted from a cannabis plant, cannabis flower, hemp plant, or hemp plant parts with a chemical makeup that is changed after extraction to create a different cannabinoid or other chemical compound by applying a catalyst other than heat or light. Artificially derived cannabinoid includes but is not limited to any tetrahydrocannabinol created from cannabidiol but does not include cannabis concentrate, cannabis products, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products.

CBD means a compound of the cannabis plant known as cannabidiol.

Cannabis Business means any of the following licensed under Minnesota Statutes, § 342 and incorporates, by reference, the definitions therein:

- (a) cannabis microbusiness;

- (b) cannabis mezzobusiness;
- (c) cannabis cultivator;
- (d) cannabis manufacturer;
- (e) cannabis retailer;
- (f) cannabis wholesaler;
- (g) cannabis transporter;
- (h) cannabis testing facility;
- (i) cannabis event organizer;
- (j) cannabis delivery service;
- (k) medical cannabis combination business.

Cannabis Lounge means a portion of the premises of a Cannabis Microbusiness licensed or endorsed by the State of Minnesota Office of Cannabis Management for on-site consumption of edible cannabis products and lower-potency hemp edibles.

Cannabis Retail Business means any of the following licensed under Minnesota Statutes, Chapter 342:

- 1) Cannabis microbusiness;
- 2) Cannabis mezzobusiness;
- 3) Cannabis retailer and
- 4) Medical cannabis combination business.

Cannabis Flower means the harvested flower, bud, leaves, and stems of a cannabis plant. Cannabis flower includes adult-use cannabis flower and medical cannabis flower. Cannabis flower does not include cannabis seed, hemp plant parts, or hemp-derived consumer products.

Intoxicating Hemp Product means any product that is intended to be eaten or drank by humans, contains a cannabinoid other than CBD in combination with food ingredients, is not a drug, and meets the requirements to be sold under Minnesota Statutes, § 151.72, or after March 1, 2025, the requirements under Minnesota Statutes, Chapter 342. This product meets the definition of Lower-Potency Hemp Edibles in Minn. Stat. § 342.01, subd. 50, as amended from time to time. This does not include any product intended to be externally applied to skin, to be consumed by combustion or vaporization of the product, by inhalation of smoke, aerosol, or vapor from the product or through injection or application to a mucous membrane or nonintact skin. A product intended to only contain CBD but which may contain less than trace amounts of tetrahydrocannabinol (THC) as an unintended result of the manufacturing process is not considered an Intoxicating Hemp Product.

Liquor Store means a business licensed pursuant to Minnesota Statutes, Chapter 340A to sell alcoholic beverages in original packages for consumption off of the Premises.

Lower-Potency Hemp Edible Retailer means a business that sells Intoxicating Hemp Products at retail. In state law, as amended from time to time, these businesses are licensed as Lower-Potency Hemp Edible Retailers.

Moveable place of business means any form of business operated out of a truck, van, automobile, or other type of vehicle or transportable shelter and not a fixed address store front or other permanent type of structure authorized for sales transactions. Moveable Place of Business does not include On-Sale Hemp Businesses selling Intoxicating Hemp Products at a location pursuant to a caterer's permit.

Office means the Office of Cannabis Management.

Off-Sale Lower-Potency Hemp Edible Retailer Hemp Business means a business that sells Intoxicating Hemp Products for off-site consumption.

On-Sale Lower-Potency Hemp Edible Retailer Hemp Business means a business with an on-sale liquor license pursuant to Minnesota Statutes, Chapter 340A and which sells Intoxicating Hemp Products that are intended to be consumed as a beverage for on-site consumption.

~~*Premises* means for Off-Sale Hemp Businesses, the area from which they sell Intoxicating Hemp Products, and for On-Sale Hemp Businesses and Liquor Stores means the licensed premises pursuant to their license issued under Minnesota Statutes, Chapter 340A.~~

Premises means the area from which a Cannabis Retail Business sells Adult Use Cannabis Products or a Lower-Potency Hemp Edible Retailer sells Intoxicating Hemp Products and, for an On-Site Lower-Potency Hemp Edible Retailers and Liquor Store, the area for which the licensed premises is identified pursuant to its license issued under Minnesota Statutes, Chapter 340A.

Registered Products means the products, whether Adult-Use Cannabis Products or Intoxicating Hemp Products, for which the entity is licensed to sell.

Sale means any transfer of goods for money, trade, barter or other consideration.

THC means the chemical compound of the cannabis plant tetrahydrocannabinol.

SECTION 2. City Code of Ordinances, Title XI: Business Regulations, Chapter 115, Section 115.03 is amended to delete the stricken-out text and add the underscored text to read as follows:

Section 115.03 Registration Required.

- (a) *Intoxicating Hemp Products.* Businesses may only sell Intoxicating Hemp Products to customers, for on-site or off-site consumption, if one of the following two conditions apply:
- 1) For on-site consumption, an On-Site Lower-Potency Hemp Edible Retailer must be registered with the city before making sales to customers and must have an active on-sale liquor license pursuant to Minnesota Statutes Chapter 340A. Immediately

after the Office begins licensing these retailers, the retailer must also be licensed by the Office pursuant to Minn. Stat. § 342.10 as a Lower-Potency Hemp Edible Retailer, as that term is defined by Minn. Stat. § 342.01, and as those sections are amended from time to time. A licensed Cannabis Microbusiness may sell Adult Use Edibles on-site as part of a Cannabis Lounge.

- 2) For off-site consumption, a Lower-Potency Hemp Edible Retailer must be registered with the city before making sales to customers and immediately after the Office begins licensing, must be licensed by the Office pursuant to Minn. Stat. § 342.10 as a Lower-Potency Hemp Edible Retailer, as that term is defined by Minn. Stat. § 342.01, and as those sections are amended from time to time, to sell product at retail.
- (b) Adult Use Products. Only Cannabis Retail Businesses may sell Adult Use Cannabis Products. A Cannabis Retail Business must have an active license issued by the Office pursuant to Chapter 342 of Minnesota Statutes which allows it to sell Adult Use Cannabis Product at retail, and also must be registered with the city before making sales to customers.
- (c) Hours of Operation. Cannabis Retail Businesses and Lower-Potency Hemp Edible Retailers are limited to retail sale between the hours of 9:00 a.m. and 9:00 p.m. The hours of Lower-Potency Hemp Edible Retailers who have an on-sale liquor license pursuant to Minnesota Statutes Chapter 340A may be consistent with the hours open as part of the on-sale liquor licensure.
- (d) Exemption. No city-issued registration is required for a business selling medical cannabis as part of the Minnesota's Medical Cannabis Program described in Minn. Stat. §§ 152.22 to 152.37 or for a Liquor Store.

~~Businesses may only sell Intoxicating Hemp Products to customers for on-site or off-site consumption if one of the following three two conditions apply:~~

- ~~(e) For on-site consumption, an On-Sale Hemp Business must be registered with the City before making sales to customers and must have an active on-sale liquor license pursuant to Minnesota Statutes, Chapter 340A.~~
- ~~(f) For off-site consumption, an Off-Sale Hemp Product Business must be registered with the City before making sales to customers.~~
- ~~(g) No City-issued registration is required for (1) a business selling medical cannabis as part of the Minnesota Medical Cannabis Program described in Minnesota Statutes, §§ 152.22 to 152.37, as amended from time to time, or (2) a Liquor Store.~~

SECTION 3. City Code of Ordinances, Title XI: Business Regulations, Chapter 115, Section 115.04 is amended to delete the stricken-out text and add the additional underscored text to read as follows:

Section 115.04 Registration Application and General Information.

(a) General Application Information – Cannabis Retail Businesses, and Lower-Potency Hemp Edible Retailers, whether on-site or off-sale, must submit the following to the City:

- (1) Complete registration form, including confirmation that the business is licensed with the Office.
- (2) A registration fee, which shall be established pursuant to City Council Resolution or City Council Fee Schedule. The registration fee shall be non-refundable once processed. The City shall not charge an application fee. A medical combination business operating an adult-use Cannabis Retail Business location may only be charged a single registration fee. The initial registration fee shall include the initial retail registration fee and the first annual renewal fee.
- (3) Copy of the active license issued by the Office and confirmation of completed criminal history checks on applicant's employees as required by Minn. Stat. § 342.151.
- (4) Full name of the property owner and applicant.
- (5) The address and parcel ID for the property which the registration is sought.
- (6) If the applicant does not own the business premises, a true and complete copy of the executed lease for the premises, if applicable. 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 Minn. Stat. § 333.01, as it may be amended from time to time.
- (7) Whether all real estate and personal property taxes that are due and payable for the premises have been paid and, if not paid, the years and amounts that are unpaid.
- (8) A written declaration by the applicant, under penalty of perjury, that the information contained in the application is true. If the applicant is a corporation, an officer must sign the written declaration. If the applicant is a partnership, a general partner must sign the written declaration. If the applicant is an unincorporated association, the manager or managing officer must sign the written declaration.

(b) Additional On-Site Lower-Potency Hemp Edible Retailers Application Information – In addition to the application information contained above, On-Site Lower-Potency Hemp Edible Retailers must also submit confirmation that the premises either has an on-sale liquor license or a Cannabis Microbusiness License issued pursuant to Minnesota Statutes, Chapter 340A.

(c) Additional Application Information.

- (1) Natural Persons. In addition to (a) above, Natural Person Applicants may be required to provide:
 - i. Address, email address, telephone number and date of birth of the applicant;
 - ii. Street resident addresses of where the applicant has lived during the past five years and telephone numbers and dates for which such addresses and phone numbers were used;
 - iii. Whether the applicant has ever been known by a name other than the applicant's name and, if so, the name or names used, including maiden names, and information concerning dates and places used;
 - iv. The type, name and location of every business or occupation in which the applicant has been engaged during the preceding five years and the names or addresses of the applicant's employers and partners, if any, for the preceding five years, and corresponding dates of employment;

- v. A physical description of the applicant; and
 - vi. If the applicant does not manage the business, the name of the managers or other persons in charge of the business and all information concerning each of them pursuant to above (i)-(v) in this subsection.
- (2) Partnership. If the applicant is a partnership, the applicant may be required to provide the following additional information:

 - i. The names and addresses of all general and limited partners and all information concerning each general partner pursuant to divisions c (1) above;
 - ii. The names of the managing partners and the interest of each partner in the licensed business;
 - iii. A copy of the partnership agreement. If the partnership is required to file a certificate as to a trade name pursuant to Minn. Stat. § 333.01, as it may be amended from time to time, a certified copy of the certificate must be attached to the application;
 - iv. The applicant's federal tax identification number and state employer identification number; and
 - v. If the applicant does not manage the business, the name of the managers or other persons in charge of the business and all information concerning each of them pursuant to divisions (c)(1) above.
- (3) Corporation. If the applicant is a corporation or other organization, the applicant may be required to provide the following information:

 - i. The name of the corporation or business and the state of incorporation;
 - ii. A copy of the articles of incorporation or association agreement and bylaws. If the applicant is a foreign corporation, a certificate of authority as required by Minn. Stat. § 303.06, as it may be amended from time to time, must be attached;
 - iii. The applicant's federal tax identification number and state employer identification number;
 - iv. The name of the managers or other persons in charge of the business and all information concerning each manager, proprietor or agent pursuant to (c)(1)above; and
 - v. A list of all persons who control or own an interest in excess of 5% in the organization or business or who are officers of the corporation or business and all information concerning the persons pursuant to (c)(1) above. This provision, however, does not apply to a corporation whose stock is publicly traded on a stock exchange and the corporation is applying for a license to be owned and operated by itself.
- (d) No Moveable Place of Business – No Lower-Potency Hemp Edible Retailer Moveable Place of Business or Cannabis Retail Business Moveable Place of Business is allowed and, as a result, no registration will be issued for a Moveable Place of Business.
- (e) Term – Registrations are valid for a term of one year from the date they are issued by the City. Businesses renewing their registration must submit a renewal fee at the time of renewal. 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. Registration fees will not be prorated.

- (f) Registration Conditions – Registrants are subject to the performance standards and penalties in this Section and other applicable code sections. Violations of any of the applicable provisions of this Section are considered a violation of City Code and may result in criminal penalties, administrative fines or the City action on a registration. Additionally, a registration shall not be approved or renewed if the registrant is unable to meet the requirements of this ordinance.
- (g) Non-transferability - Other than state approved transfers of ownership required by Minn. Stat. § 342.12, a registration is non-transferable. All registrations issued under this section are valid only on the premises for which the registration was issued. The transfer of any registration to another location is prohibited. If there is a change in the ownership of the license holder pursuant to Minn. Stat. § 342.12, the license holder must notify the City of the change, along with submitting a copy of the newly transferred state issued license so that the City can update the registration.
- (h) Initial Compliance Check - For all new and renewal registrations, the City shall conduct a preliminary compliance check to ensure compliance with this ordinance and to obtain proof of compliance with required criminal history checks on applicant's employees as required by Minn. Stat. § 342.151.
- (i) Signage - Notice of the legal sales age and age verification requirements must be posted at each location where registered products are offered for sale. The required signage, which shall be provided to the applicant by the City, must be posted in a manner that is clearly visible to anyone who is or is considering making a purchase. On-site signs advertising the business must comply with the City's sign code.
- (j) Age verification device and digital security video at Cannabis Retail Businesses - All Cannabis Retail Business registration holders shall be required to install or possess age verification devices and digital security video at the registered location. The Police Department shall confirm that the devices have been installed prior to approval of the registration.
- (k) Certification - Pursuant to Minnesota Statutes, Chapter 342, within 30 days of receiving a copy of a state license application from the Office, the City shall certify, on a form provided by the Office, whether a proposed retail business complies with local zoning ordinances, state fire code and building code, and if applicable, local registration requirements. If an application for a renewal registration, and the Office has started licensing pursuant to Minnesota Statutes, Chapter 342, the City shall renew an annual registration of a state-licensed Cannabis Retail Business or Lower-Potency Hemp Edible Retailer to correspond timing-wise for when the Office grants or renews the business' state license. A state-licensed retail business shall apply to renew its registration on a form established by the City. Any renewal retail registration fee imposed by the City shall be charged at the time of the second renewal and each subsequent renewal thereafter. A renewal retail registration fee shall not exceed the limits set forth in state statute, as amended from time to time.

- (l) Basis for recommendation to the Office for denial of license - Upon notice of application of license from the Office related to a retail business anticipated herein, any of the following reasons are grounds for recommending denial of licensing to the Office or denying registration, except as may otherwise be provided by law:
- 1) The proposed use does not comply with the Zoning Ordinance.
 - 2) The proposed use does not comply with health, building, maintenance or other provisions of the City code, fire code or state law.
 - 3) The applicant has failed to pay all of the appropriate fees related to the registration.
 - 4) The applicant is under the age of 21 years.
 - 5) The applicant has made fraudulent statements, misrepresentations, not fully disclosed information or made false statements in the application or investigation for or in the course of the applicant's business.
 - 6) The applicant is prohibited by federal, state or other local law, ordinance or other regulation, from holding such a registration.
 - 7) The applicant is applying for a location in an area that is prohibited for such use by state law or the City zoning code or where the property line is within five hundred (500) feet of the property line of a school, as defined in Minnesota Statutes, § 120A.22, subd. 4, excluding a home school, when measured in a straight line to the property line of the property in which the registered establishment is located.
 - 8) The applicant's application, if granted, would result in more than the allowable number of Cannabis Business Retailers under City Code and specifically in this Chapter.

The City shall immediately notify the retailer in writing the grounds for its decision.

- (m) Basis for suspension of registration - A registration may be suspended if:
- 1) It does not comply with the Zoning Ordinance.
 - 2) It is in an area prohibited for the use by state law or city zoning, including within five hundred (500) feet from the property line of a school, as defined in Minnesota Statutes, § 120A.22, subd. 4, excluding a home school, when measured in a straight line to the property line of the property in which the registered establishment is located.
 - 3) It does not comply with health, building, maintenance or other provisions of the City code, fire code or state law.
 - 4) It poses an immediate threat to the health or safety of the public.
 - 5) It operates illegally under state law or city code or exceeds the allowable number of retailers, if applicable.
 - 6) It sells to customers under the age of 21 years.
 - 7) It sells or offers for sale products not complying with labeling or packaging requirements set forth in state law or sells or offers to sell products outside scope of state license.

(n) Notification. The City shall immediately notify the retailer in writing the grounds for the suspension. Additionally, within seven (7) days of any decision which impacts a state licensed Cannabis Retail License or Lower-Potency Hemp Edible Retailer License, as that term is defined in Minn. Stat. §342.01, subd 48, the City shall notify the Office of the decision and

shall include the grounds for the decision. The Office will provide the City and retailer a response to the complaint within seven calendar days and perform any necessary inspections within 30 calendar days.

~~(a) *General Application Information*—Both Cannabis Businesses, On-Sale Hemp Businesses and Off-Sale Hemp Businesses must submit the following to the City:~~

~~(1) A completed registration form, including confirmation that the business is registered with the Office of Cannabis Management; and~~

~~(2) A registration fee, which shall be established pursuant to a resolution and/or the City Council Fee Schedule.~~

~~(b) *Additional On-Sale Hemp Business Application Information*—In addition to the application information required pursuant to §115.04(a), On-Sale Hemp Businesses must also submit proof to the City that the Premises has an on-sale liquor license issued pursuant to Minnesota Statutes, Chapter 340A.~~

~~(c) *No Moveable Place of Business*—No Intoxicating Hemp Moveable Place of Business is allowed and, as a result, no registration will be issued for a Moveable Place of Business.~~

~~(d) *Term*—Registrations are valid for a term of one year from the date they are issued by the City. Businesses renewing their registrations must submit a renewal fee at the time of renewal.~~

~~(e) *Registration Conditions*—Registrants are subject to the performance standards and penalties in §§ 115.05–115.14. Violation of any of the applicable provisions of this chapter is considered a violation of City Code and may result in criminal penalties, administrative fines or the City revoking a registration.~~

SECTION 4. City Code of Ordinances, Title XI: Business Regulations, Chapter 115, Section 115.06 is amended to add the additional underscored text to read as follows:

Section 115.06 Limit on registrations.

(a) **Lower-Potency Hemp Edible Retailer.** The City has not established a limit on the number of Lower-Potency Hemp Edible Retailer registrations.

(b) **On-Site Intoxication Hemp Product Retailer.** The City has not established a limit on the number of On-Site Lower-Potency Hemp Edible Retailer registrations other than requiring these businesses to have up-to-date on-sale liquor license.

(c) **Cannabis Retailer Businesses.** The City has established a limit of one (1) Cannabis Retail Business registrations available at one time.

(d) **First Come, First Served.** Applications for registration will be processed on a first-come, first-served basis based on the City receiving a complete application and payment of all fees. Applications will be considered complete when all materials in Subd. 4 are received by the City and include all required information.

~~(a) **Off-Sale Hemp Business.** The City has not established a limit on the number of Off-Sale Hemp Business registrations.~~

~~(b) **On-Sale Hemp Businesses.** The City has not established a limit on the number of On-Sale Hemp Business registrations other than requiring these businesses to have up-to-date on-sale liquor licenses.~~

SECTION 5. City Code of Ordinances, Title XI: Business Regulations, Chapter 115, Section 115.07 is amended to add the additional underscored text to read as follows:

Section 115.07 Responsibility

All registrants under this Chapter shall be responsible for the actions of their employees in regard to the sale of Adult-use Cannabis Products and Intoxicating Hemp Products, and the sale of such items by an employee shall be considered a sale by the registrant. Nothing in this Chapter shall be construed as prohibiting the City from also subjecting the registrant to whatever penalties are appropriate under this Chapter, state or federal law, or other applicable law or regulation.

SECTION 6. City Code of Ordinances, Title XI: Business Regulations, Chapter 115, Section 115.08 is amended to add the additional underscored text to read as follows:

Section 115.08 Compliance Checks And Inspections.

All Cannabis Retail Businesses, On-Site Lower-Potency Hemp Edible Retailers and Lower-Potency Hemp Edible Retailers ~~On-Sale Hemp Businesses,~~ and ~~Off-Sale Hemp Businesses~~ Premises shall be open to inspection by the City police department or other authorized City officials during regular business hours. From time to time, but at least once per year, the City shall conduct compliance checks by engaging individuals over the age of 17 years old but less than 21 years old, to enter the Premises to attempt to purchase any of the following: Adult-use Cannabis Products or Intoxicating Hemp Products. Prior written parental or guardian consent is required for any person under the age of 18 who participates in a compliance check. Individuals used for the purpose of compliance checks shall be supervised by City-designated law enforcement officers or other designated City personnel. Individuals used for compliance checks shall not be guilty of unlawful possession of Adult-use Cannabis Products or Intoxicating Hemp Products when such items are obtained as a part of the compliance check. No individual used in compliance checks shall attempt to use a false identification misrepresenting the individual's age, and all individuals lawfully engaged in a compliance check shall answer all questions about the individual's age asked by the registrant or their employee, and shall produce any identification, if any exists, for which they are asked. Nothing in this Chapter shall prohibit compliance checks authorized by state or federal laws for educational, research or training purposes, or required for the enforcement of a particular state or federal law.

SECTION 7. City Code of Ordinances, Title XI: Business Regulations, Chapter 115, Section 115.09 is amended to add the additional underscored text to read as follows:

Section 115.09 Prohibited Sales.

It shall be a violation of this Chapter for any person under the age of 21 to sell or offer to sell any Adult-use Cannabis Products or Intoxicating Hemp Products; ~~In addition, it shall be a violation of this Chapter for any person to sell or offer to sell any Intoxicating Hemp Product,~~

- (a) ~~That does-~~ That do not meet the following requirements of Minnesota Statutes, § 151.72, or after March 1, 2025, the requirements of Minnesota Statutes, Chapter 342, including, but not limited to:
- (1) ~~Packaging – Minn. Stat. § 151.72, subd. 5a., or after March 1, 2025, the requirements of Minn. Stat. § 342.62;~~ Compliant Products- Minn. Stat. 342.46 subd. 6
 - (2) ~~Secured Display and Storage and Sales - Minn. Stat. § 151.72, subd. 5a (h), or after March 1, 2025, the requirements of Minn. Stat. § 342.46, subd. 4;~~
 - (3) ~~Testing Requirements - Minn. Stat. § 151.72, subd. 4., or after March 1, 2025, the requirements of Minn. Stat. § 342.61; and~~
 - (4) ~~Labeling Requirements - Minn. Stat. § 151.72, subd. 5., or after March 1, 2025, the requirements of Minn. Stat. § 342.63;~~
- (b) To any person under the age of 21 years. Prior to initiating a sale or otherwise providing an edible cannabinoid product to an individual, an employee of a retailer must verify that the individual is at least 21 years of age pursuant to Minn. Stat. § 151.72, subd. 5c, or after March 1, 2025, the requirements of Minn. Stat. § 342.46, subd. 3;
- (c) For a nominal amount or by means of sampling, unless otherwise allowed under Minnesota Statutes, Chapter 342;
- (d) By internet sales or delivery, unless the business utilizes an independent third-party age-verification system; or
- (e) 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.

SECTION 8. City Code of Ordinances, Title XI: Business Regulations, Chapter 115, Section 115.11 is amended to add the additional underscored text to read as follows:

Section 115.11 Exceptions And Defenses.

Nothing in this Chapter shall prevent providing Adult-use Cannabis Products or Intoxicating Hemp Products, to individuals under the age of 21 as part of lawfully-recognized religious, spiritual or cultural ceremonies. It shall be an affirmative defense to the violation of this Chapter for a person to have reasonably relied on proof of age as described by state law.

SECTION 9. City Code of Ordinances, Title XI: Business Regulations, Chapter 115, Section 115.12 is amended to add the additional underscored text to read as follows:

Section 115.12 Offenses Involving Individuals Under the Age of 21.

- (a) *Illegal sales.* It shall be a violation of this Chapter for any person to sell or otherwise provide any Adult-use Cannabis Products or Intoxicating Hemp Product to any individual under the age of 21.
- (b) *Illegal possession.* It shall be a violation of this Chapter for any individual under the age of 21 to have in their possession any Adult-use Cannabis Products or Intoxicating Hemp Product. This subsection shall not apply to individual under the age of 21 lawfully involved in a compliance check.
- (c) *Illegal use.* It shall be a violation of this Chapter for any individual under the age of 21 to use any Adult-use Cannabis Products or Intoxicating Hemp Product.
- (d) *Illegal procurement.* It shall be a violation of this Chapter for any individual under the age of 21 to purchase or attempt to purchase or otherwise obtain any Adult-use Cannabis Products or Intoxicating Hemp Product, and it shall be a violation of this Chapter for any person to purchase or otherwise obtain such items on behalf of an individual under the age of 21. It shall further be a violation for any person to coerce or attempt to coerce an individual under the age of 21 to illegally purchase or otherwise obtain or use any Adult-use Cannabis Products or Intoxicating Hemp Product. This subsection shall not apply to individuals under the age of 21 lawfully involved in a compliance checks.
- (e) *Use of false identification.* It shall be a violation of this Chapter for any individual under the age of 21 to attempt to disguise their true age by the use of a false form of identification, whether the identification is that of another person or one on which the age of the person has been modified or tampered with to represent an age older than the actual age of the person.

SECTION 10. City Code of Ordinances, Title XI: Business Regulations, Chapter 115, Section 115.13 is amended to add the additional underscored text to read as follows:

Section 115.13 Violations.

....

- H. *Notification to the Office.* Within seven (7) days of any decision which impacts a state licensed Cannabis Retail License or Lower-Potency Hemp Edible Retailer License, as that term is defined in Minn. Stat. §342.01, subd 48, the City shall notify the Office of the decision and shall include the grounds for the decision. The Office will provide the City and retailer a response to the complaint within seven calendar days and perform any necessary inspections within 30 calendar days.
- I. *Continuations.* The continuation of consideration of an application for registration, renewal for registration, the status of a registration or the suspension of either a Cannabis Retail Business registration or Lower-Potency Hemp Edible Retailer registration may be for up to 90 calendar days, unless the Office suspends the businesses' corresponding license for a longer period. The business may not make sales to customers if their registration is suspended or not on active status due to a continuation. With respect to suspensions, the

City may reinstate a registration if it determines that the violations have been resolved and it has received any necessary notification from the Office that violations have been resolved.

SECTION 11. EFFECTIVE DATE. This ordinance shall take effect following its passage and publication in accordance with state law.



David Braun, Mayor

ATTEST:


Tiffany Schrader, City Administrator