

ARTICLE 14-VI REGULATE CANNABIS BUSINESSES

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HISTORY

Adopted by Ord. 24-10-08 on 10/28/2024

14-185 Administration

(a) Finding and Purpose

The City of Grand Rapids makes the following legislative findings:

The purpose of this ordinance is to implement the provisions of Minnesota Statutes, chapter 342, which authorizes the City of Grand Rapids to protect the public health, safety, welfare of the residents by regulating cannabis businesses within the legal boundaries of the City of Grand Rapids.

The City of Grand Rapids finds and concludes that the proposed provisions are appropriate and lawful land use regulations, that the proposed amendments 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.

(b) Authority and Jurisdiction

The City of Grand Rapids has the authority to adopt this ordinance pursuant to:

- (1) 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 a cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses.
- (2) 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) Minn. Stat. 152.0263, Subd. 5, regarding the use of cannabis in public places.
- (4) Minn. Stat. 462.357, regarding the authority of a local authority to adopt zoning ordinances.

Ordinance will be applicable to the legal boundaries of the City of Grand Rapids.

(c) 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.

(d) Enforcement

The City Administrator and/or designee is responsible for the administration and enforcement of this ordinance. 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. Violations of this ordinance can occur regardless of whether or not a permit is required for a regulated activity listed in this ordinance.

(e) 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, will have the same meanings in this ordinance.

(2) 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.

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

(4) 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.

(5) 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.

(6) Lower-potency Hemp Edible: As defined under Minn. Stat. 342.01 subd. 50.

(7) Office of Cannabis Management: Minnesota Office of Cannabis Management, referred to as "OCM" in this ordinance.

(8) 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.

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

(10) 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.

(11) Residential Treatment Facility: As defined under Minn. Stat. 245.462 subd. 23.

(12) Retail Registration: An approved registration issued by the City of Grand Rapids to a state-licensed cannabis retail business.

(13) 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.

(14) State License: An approved license issued by the State of Minnesota's Office of Cannabis Management to a cannabis retail business.

14-186 Registration Of Cannabis Businesses

(a) Consent to registering of Cannabis Businesses

No individual or entity may operate a state-licensed cannabis retail business within the city limits without first registering with the City of Grand Rapids.

Any state-licensed cannabis retail business that sells to a customer or patient without valid retail registration will incur a civil penalty of up to \$2,000 for each violation.

Notwithstanding the foregoing provisions, the state will 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.

(b) Compliance Checks Prior to Retail Registration

Prior to issuance of a cannabis retail business registration, the City will 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 Grand Rapids will certify on a form provided by OCM whether a proposed cannabis retail business complies with the local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code.

(c) Registration and Application Procedure

(1) Fees

The City of Grand Rapids will not charge an application fee.

A registration fee, as established in the City's fee schedule, will be charged to applicants depending on the type of retail business license applied for.

An initial retail registration fee will 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 will include the initial retail registration fee and the first annual renewal fee.

Any renewal retail registration fee imposed by the City will be charged at the time of the second renewal and each subsequent renewal thereafter.

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

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 registration fee, defined under this section, of the adult-use retail business.

(2) Application Submittal

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

a. An applicant for a retail registration will fill out an application form, as provided by the City. Said form will 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.

b. The applicant will include with the form:

1. The registration fee as required in Section 14-186 (c) (1);
2. A copy of a valid state license or written notice of OCM license preapproval;
3. Verification from Itasca County that property taxes are not delinquent.

c. Once an application is considered complete, the City will inform the applicant as such, process the registration fees, and forward the application to the City Council for approval or denial.

d. The registration fee will be non-refundable once processed.

(3) Application Approval.

a. A state-licensed cannabis retail business application will not be approved if the cannabis retail business would exceed the maximum number of registered cannabis retail businesses permitted under Section 14-190.

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

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

(4) Annual Compliance Checks

The City of Grand Rapids completes compliance checks as mandated by State law.

Any failures under this section must be reported to the Office of Cannabis Management.

(5) Location Change

A state-licensed cannabis retail business will be required to submit a new application for registration under Section 14-186 (d) if it seeks to move to a new location still within the legal boundaries of City of Grand Rapids.

(d) Renewal of Registration

The City of Grand Rapids will 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 will apply to renew registration on a form established by City of Grand Rapids.

A cannabis retail registration issued under this ordinance will not be transferred.

(1) Renewal Fees

The City of Grand Rapids may charge a renewal fee for the registration starting at the second renewal, as established in City of Grand Rapids' fee schedule.

(2) Renewal Application

The application for renewal of a retail registration will include, but is not limited to:

- a. Items required under Section 14-186 (c) (2) of this ordinance.

(e) Suspension of Registration

(1) When Suspension is Warranted

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

(2) Notification to OCM.

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

(3) Length of Suspension

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.

(4) Civil Penalties

Subject to Minn. Stat. 342.22, subd. 5(e) the City of Grand Rapids may impose a civil penalty, as specified in the City of Grand Rapids' fee schedule, for registration violations, not to exceed \$2,000.

(f) Limiting of Registrations

The City of Grand Rapids will limit the number of cannabis retail businesses to no fewer than one registration for every 12,500 residents within the city limits of the City of Grand Rapids.

The City of Grand Rapids will limit the number of cannabis retail businesses to one (1) plus a municipal retail business if the City Council elects.

14-187 Requirements For Cannabis Businesses

(a) Zoning and Land Use

Retail licensed cannabis businesses shall be located in Central Business District, General Business, or Shoreland General Business zoning districts as defined in the City of Grand Rapids Zoning ordinance.

(b) 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 8:00 am to 10:00 pm, Monday through Saturday and 11:00 am to 6:00 pm on Sundays.

(c) Advertising

Cannabis businesses are permitted to erect signs on the exterior of the building or property of the business, in accordance with City of Grand Rapids' zoning ordinances.

14-188 Temporary Cannabis Events

Any individual or business seeking to obtain a cannabis event license must provide OCM information about the time, location, layout, number of business participants, and hours of operation. A cannabis event organizer must receive local approval, including obtaining any necessary permits or licenses issued by a local unit of government before holding a cannabis event.

(a) License or Permit Required for Temporary Cannabis Events

(1) License Required

A cannabis event organizer license entitles the license holder to organize a temporary cannabis event lasting no more than four days. A jurisdiction should determine what type of approval is consistent with their existing ordinances for events. A license or permit is required to be issued and approved by City of Grand Rapids prior to holding a Temporary Cannabis Event.

(2) Registration and Application Procedure

A registration fee, as established in City of Grand Rapids' fee schedule, will be charged to applicants for Temporary Cannabis Events.

(3) Application Submittal and Review

The City of Grand Rapids will require an application for Temporary Cannabis Events.

a. An applicant for retail registration will fill out an application form, as provided by the City of Grand Rapids. Said form will include, but is not limited to:

1. Full name of the property owner(s) and applicant(s);
2. Address, email address, and telephone number of the applicant(s);
3. Address and property ID for which retail registration is sought.

b. The applicant will include with the form:

1. The application fee as required in Section 14-188 (a)(2);
2. A copy of the OCM cannabis event license application, submitted pursuant to 342.39 subd. 2.

3. A letter from host property indicating the approval of temporary event.

4. A letter from Itasca County that the host property is not delinquent with property taxes.

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

c. Once an application is considered complete, the designee will inform the applicant as such, process the application fees, and forward the application to the City Council for approval or denial.

d. The application fee will be non-refundable once processed.

e. The application for a license for a Temporary Cannabis Event will meet the following standards:

1. Temporary Cannabis Events can only be held in Central Business District, General Business, or Shoreland General Business, zoned property.

f. A request for a Temporary Cannabis Event that meets the requirements of this Section will be approved.

g. A request for Temporary Cannabis Event that does not meet the requirements of this Section will be denied. The City of Grand Rapids will notify the applicant of the standards not met and basis for denial.

Temporary Cannabis Events will only be held during the time event approved by the City Administrator or their designee.

14-189 Local Government As A Cannabis Retailer

City of Grand Rapids may establish, own, and operate one municipal cannabis retail business subject to the restrictions in this chapter.

The municipal cannabis retail store will not be included in any limitation of the number of registered cannabis retail businesses under Section 14-186 (f).

City of Grand Rapids will be subject to the same rental license requirements and procedures applicable to all other applicants.