

CITY OF MARSHALL
ORDINANCE CANNABIS AMENDMENT

WHEREAS, in response to the state legislature’s creation of Chapter 342 of the Minnesota Statutes, which established state licensing of cannabis businesses, including Cannabis Retail Businesses, the City of Marshall adopted Ordinance 24-012 to regulate retail sales of cannabis products in the City; and

WHEREAS, the Office of Cannabis Management (“Office”), the state agency created to license cannabis businesses changed its licensing process in response to additional legislative changes made in the 2025 Legislative Session; and

WHEREAS, because of the changes in process enacted by the Office, staff reviewed existing code as well as Minnesota State Statute and are proposing changes to Article 22 of Marshall City Code; and

WHEREAS, these changes are suggested to align with Minnesota State Statute and meet existing and foreseeable needs related to local registrations of Cannabis Retail Businesses.

The Common Council of the City of Marshall do ordain:

SECTION 1: **AMENDMENT** “Section 22-223 Registration Application And General Information” of the Marshall Municipal Code is hereby *amended* as follows:

A M E N D M E N T

Section 22-223 Registration Application And General Information

- (a) **General Application Information** – Cannabis Retail Businesses, and Intoxicating Hemp Product Retailers, whether on-site or off-sale, must submit the following to the City:
- (1) Complete registration form, including confirmation that the business is registered 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.
 - (3) Copy of the active license issued by the Office and required in Section 22-222 above; or written notice of preliminary approval of a license from the Office, if approved but not yet issued;
 - (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; and

- (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 Intoxicating Hemp Product Retailer Application Information

– In addition to the application information contained in §22-223 (a), On-Site Intoxicating Hemp Product Retailers must also submit confirmation that the premises either has an on-sale liquor license or a Cannabis Microbusiness licensed issued pursuant to Minnesota Statutes, Chapter 340A.

(c) Additional Application Information.

- (1) Natural Persons. In addition to (a) above, Natural Person Applicants must also provide:

- a. Address, email address, telephone number and date of birth of the applicant;
- b. 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;
- c. 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;
- d. 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;
- e. A physical description of the applicant; and
- f. 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 (a)-(e) in this subsection.

- (2) Partnership. If the applicant is a partnership, the applicant may be required to provide the following information:

- a. The names and addresses of all general and limited partners and all information concerning each general partner pursuant to divisions c(1) above;
- b. The names of the managing partners and the interest of each partner in the licensed business;
- c. 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;

- d. The applicant's federal tax identification number and state employer identification number; and
 - e. 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:
 - a. The name of the corporation or business and the state of incorporation;
 - b. 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;
 - c. The applicant's federal tax identification number and state employer identification number;
 - d. 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
 - e. 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 Intoxicating Hemp Product Retailer Moveable Place of Business or movable Cannabis Retail 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.
- (f) **Registration Conditions** Registrants are subject to the performance standards and penalties in §§ 22-224 - 22-234. 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.
- (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) ~~General~~ Certification -

- (1) Pre-license Certification of Cannabis Retail Businesses. The City Administrator or their designee is authorized to certify whether a proposed Cannabis Retail Business complies with the City's zoning ordinances and if applicable, with state fire code and building code pursuant to Minn. Stat., Section 342.13.
- (2) Pursuant to Minnesota Statutes, Chapter 342, within 30 days of receiving a copy of a state license application from the Office, including any pre-approved licenses 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. Potential licensees are responsible for submitting all necessary zoning applications and requesting and scheduling any inspections related to building and fire code. Potential licensees may contact the City to have inspections conducted prior to the city receiving the request for certification from the Office. Building and fire code inspections will be valid for one (1) year from completion. If a potential licensee is not able to obtain necessary zoning approvals or have any building or fire code inspection complete within the 30 days allowed for city approval under the statute or before, the City will not certify the application.
- (i) **Renewal** - 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. Pursuant to Minn. Stat. 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 and, if applicable, whether the proposed business complies with the state fire code and building code. The City shall renew an annual registration of a state-licensed Cannabis Retail Business or Intoxicating Hemp Product Retailer, also known in state law as Lower Potency Hemp Edible Retailer, business to correspond, if practicable, with when the Office renews the business' state license. A state-licensed retail business shall apply to renew 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.

SECTION 2: **AMENDMENT** "Section 22-225 Limit On Registrations" of the Marshall Municipal Code is hereby *amended* as follows:

AMENDMENT

Section 22-225 Limit On Registrations

- (a) **Intoxicating Hemp Product Retailer.** The City has not established a limit on the number of Intoxicating Hemp Product Retailer registrations.
- (b) **On-Site Intoxication Hemp Product Businesses.** The City has not established a limit on the number of On-Site Intoxicating Hemp Product 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 two (2) Cannabis Retail Business registrations available at one time. In the event that an applicant provides verification of preliminary approval by the Office or the city receives notice for certification from the Office and the granting of the additional application would create more than two registered Cannabis Retail Business in the City, the City shall respond to the Office within 30 days that the applicant does not comply with city code and recommend denial by the Office. A Cannabis Retail Business operating under a tribal compact or a tribally issued license or registration (“tribal cannabis retailer”) must register with the City. The tribal cannabis retailer registration will not count toward the number of available city registrations. Tribal cannabis retailers must comply with any and all regulations on tribal cannabis retail locations set forth in state law or under a tribal compact or a tribally issued license or registration. A Medical Cannabis Combination Business selling product at retail must register but the registration will not count towards the City’s limit on number of registrations.
- (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. 22-223 are received by the City and include all required information.

PASSED AND ADOPTED BY THE CITY OF MARSHALL COMMON COUNCIL

Presiding Officer

Attest

Robert Byrnes, Mayor, City of
Marshall

Steven Anderson, City Clerk, City of
Marshall