

**CITY OF MARSHALL
ORDINANCE 24-020**

**AN ORDINANCE AMENDING EXISTING REGISTRATION REQUIREMENTS
FOR THE SALE OF LOWER-LEVEL INTOXICATING CANNABINOID
PRODUCTS, ARTIFICIAL OR OTHERWISE, AND CREATING REGISTRATION
REQUIREMENT FOR THE SALE OF ADULT USE CANNABIS PRODUCTS**

The Common Council of the City of Marshall do ordain:

SECTION 1: **AMENDMENT** “Section 22-220 Definitions” of the Marshall Municipal Code is hereby *amended* as follows:

AMENDMENT

Section 22-220 Definitions

The following words, terms and phrases, when used in this article, 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 of Cannabis Management 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 concentrate does not include any artificially derived cannabinoid.

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 include Adult-use Cannabis Concentrate, Adult-use Cannabis Flower, Adult-use Cannabis Product, Artificially Derived Cannabinoid, Cannabis Concentrate, 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.

Cannabinoid means any of the chemical constituents of hemp plants or cannabis plants that

are naturally occurring, biologically active, and act on the cannabinoid receptors of the brain. Cannabinoid includes but is not limited to tetrahydrocannabinol and cannabidiol.

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

- (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; and
- (k) medical cannabis combination business.

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

- (a) Cannabis mezzobusiness;
- (b) Cannabis microbusiness;
- (c) Cannabis retailer; and
- (d) Medical cannabis combination business.

Cannabis Concentrate means:

- (a) The extracts and resins of a cannabis plant or cannabis flower;
- (b) The extracts or resins of a cannabis plant or cannabis flower that are refined to increase the presence of targeted cannabinoids; or
- (c) A product that is produced by refining extracts or resins of a cannabis plant or cannabis flower and is intended to be consumed by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product.
- (d) Cannabis concentrate does not include hemp concentrate, artificially derived cannabinoid, or hemp-derived consumer products.

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.

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 Mezzobusiness means a business licensed to perform any or all of the following

within the limits established by Minnesota Statutes, §342.29:

- (a) Grow cannabis plants from seed or immature plant to mature plant and harvest cannabis flower from a mature plant for use as adult-use cannabis flower or for use in adult-use cannabis products;
- (b) Grow cannabis plants from seed or immature plant to mature plant and harvest cannabis flower from a mature plant for use as medical cannabis flower or for use in medical cannabinoid products;
- (c) Make cannabis concentrate;
- (d) Make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;
- (e) Manufacture artificially derived cannabinoids;
- (f) Manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;
- (g) Process medical cannabinoid products;
- (h) Purchase immature cannabis plants and seedlings and cannabis flower from a cannabis microbusiness, another cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler;
- (i) Purchase cannabis concentrate, hemp concentrate, and synthetically derived cannabinoids from a cannabis microbusiness, another cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler for use in manufacturing adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;
- (j) Purchase hemp plant parts and propagules from a licensed hemp grower licensed under Minnesota Statutes, Chapter 18K;
- (k) Purchase hemp concentrate from an industrial hemp processor licensed under Minnesota Statutes, Chapter 18K;
- (l) Package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;
- (m) Sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to other cannabis businesses and to customers;
and
- (n) Perform other actions approved by the Office.

Cannabis Microbusiness means a business licensed to perform any or all of the following within the limits established by Minnesota Statutes, §342.28:

- (a) Grow cannabis plants from seed or immature plant to mature plant and harvest cannabis flower from a mature plant;
- (b) Make cannabis concentrate;
- (c) Make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;
- (d) Manufacture artificially derived cannabinoids;
- (e) Manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

- (f) Purchase immature cannabis plants and seedlings and cannabis flower from another cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler;
- (g) Purchase hemp plant parts and propagules from an industrial hemp grower licensed under Minnesota Statutes, Chapter 18K;
- (h) Purchase hemp concentrate from an industrial hemp processor licensed under Minnesota Statutes, Chapter 18K;
- (i) Purchase cannabis concentrate, hemp concentrate, and artificially derived cannabinoids from another cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler for use in manufacturing adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;
- (j) Package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;
- (k) Sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to other cannabis businesses and to customers;
- (l) Operate an establishment that permits on-site consumption of edible cannabis products and lower-potency hemp edibles; and
- (m) Perform other actions approved by the Office.

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

Intoxicating Hemp Product means any product that is intended to be eaten or consumed ~~as a beverage~~ by humans, contains a cannabinoid other than CBD in combination with food ingredients, and is not a drug, and meet the requirements to be sold under Minnesota Statutes, §151.72 or after March 1, 2025, the requirements under Minnesota Statutes, Chapter §342. This does not include any product intended 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 mucus 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.

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

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

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

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. Movable Place of Business does not include On-Site Intoxicating Hemp Product ~~Retailers~~ **Businesses** selling Intoxicating Hemp Products at a location pursuant to a caterer's permit.

Medical Cannabis Combination Business means a business licensed to perform any or all of the following within the limits established by Minnesota Statutes, §342.515:

- (a) Grow cannabis plants from seed or immature plant to mature plant and harvest adult-use cannabis flower and medical cannabis flower from a mature plant;
- (b) Make cannabis concentrate;
- (c) Make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;
- (d) Manufacture artificially derived cannabinoids;
- (e) Manufacture medical cannabinoid products;
- (f) Manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;
- (g) Purchase immature cannabis plants and seedlings and cannabis flower from a cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, a cannabis wholesaler, a medical cannabis cultivator, or another medical cannabis combination business;
- (h) Purchase hemp plant parts and propagules from an industrial hemp grower licensed under Minnesota Statutes, Chapter 18K;
- (i) Purchase cannabis concentrate, hemp concentrate, and artificially derived cannabinoids from a cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, a cannabis wholesaler, a medical cannabis processor, or another medical cannabis combination business;
- (j) Purchase hemp concentrate from an industrial hemp processor licensed under Minnesota Statutes, Chapter 18K;
- (k) Package and label medical cannabis and medical cannabinoid products for sale to medical cannabis processors, medical cannabis retailers, other medical cannabis combination businesses, and patients enrolled in the registry program, registered designated caregivers, and parents, legal guardians, and spouses of an enrolled patient;
- (l) Package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;
- (m) Sell medical cannabis flower and medical cannabinoid products to patients enrolled in the registry program, registered designated caregivers, and parents, legal guardians, and spouses of an enrolled patient;
- (n) Sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to other cannabis businesses and to customers; and
- (o) Perform other actions approved by the Office.

Office means the Office of Cannabis Management.

Off-Sale Intoxicating Hemp Product Retailer means a business that sells Intoxicating Hemp Products for off-site consumption.

On-Site Intoxicating Hemp Product Retailer 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. A licensed Cannabis Microbusiness may sell Intoxicating Hemp Products and Adult Use Products on-site as part of a Cannabis Lounge.

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: AMENDMENT “Section 22-221 Purpose” of the Marshall Municipal Code is hereby *amended* as follows:

AMENDMENT

Section 22-221 Purpose

The eCity recognizes that the sale of certain products containing the psychoactive cannabis compound THC is legal when those sales are to individuals 21 years of age or older, and that the increase of these types of products in the community increases the likelihood that youth will have access to and use products containing THC. The use of those products by individuals under the age of 21 places a burden on all levels of government, resulting in financial and other public resources being needed to address both violations of laws and regulations regarding such use, including the impacts on health . The purpose of this chapter is to regulate the sale of products containing THC for the purpose of enforcing and further existing laws and

SECTION 3: AMENDMENT “Section 22-222 Registration Required” of the Marshall Municipal Code is hereby *amended* as follows:

AMENDMENT

Section 22-222 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~~^{three}

conditions apply:

- (1) For on-site consumption, an On-Site Intoxicating Hemp Product ~~Retailers~~**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, and once the Office begins licensing, must be licensed by the Office pursuant to Minnesota Statutes Section 342.10 as a lower-potency hemp edible retailer, as that term is defined by Minnesota Statutes Section 342.01, and as those sections are amended from time to time. Once the Office begins licensing, on-site consumption of intoxicating hemp product edibles and Adult-Use edibles are allowed by licensed Cannabis Microbusinesses.
- (2) For off-site consumption an Intoxicating Hemp Products ~~Retailer~~**Business** must be registered with the city before making sales to customers and once the Office begins licensing, must be licensed by the Office pursuant to Minnesota Statutes Section 342.10 as a lower-potency hemp edible retailer, as that term is defined by Minnesota Statutes Section 342.01, and as those sections are amended from time to time, to sell product 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 Statute 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 Intoxicating Hemp Product Retailers are limited to retail sale between the hours of (insert time here) and (insert time here).
- (d) No city-issued registration is required for a business selling medical cannabis as part of the Minnesota's Medical Cannabis Program described in Minnesota Statutes, §§ 152.22 to 152.37 or for a Liquor Store.

SECTION 4:**AMENDMENT** “Section 22-223 Registration Application And General Information” of the Marshall Municipal Code is hereby *amended* as follows:

AMENDMENT

Section 22-223 Registration Application And General Information

- (a) **General Application Information** – ~~Both Cannabis Retail Businesses, and On-Site Intoxicating Hemp Product Retailers~~**Businesses, whether on-site or off-sale, and Intoxicating Hemp Product Businesses** must submit the following to the City:
 - (1) Complete registration form, including confirmation that the business is registered with the ~~Office~~**Minnesota Department of Health**.
 - (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;
- (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~~Business Application Information*** – In addition to the application information contained in §22-223 (a), On-Site Intoxicating Hemp Product ~~Retailers~~Businesses 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 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 (i)-(v) 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. 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) **General Certification** - Pursuant to Minnesota Statutes, Chapter 342, within 30 days of receiving a copy of a state license application, 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.
- (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 5: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 RetailerBusiness.** The City has not established a limit

on the number of Intoxicating Hemp Product RetailerBusiness registrations.

- (b) **On-Site Intoxication Hemp Product RetailerBusinesses**. The City has not established a limit on the number of On-Site Intoxicating Hemp Product RetailerBusiness 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.**
- (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.**

SECTION 6: AMENDMENT “Section 22-226 Responsibility” of the Marshall Municipal Code is hereby *amended* as follows:

AMENDMENT

Section 22-226 Responsibility

All registrants under this article 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 an item by an employee shall be considered a sale by the registrant. Nothing in this article shall be construed as prohibiting the city from also subjecting the registrant to whatever penalties are appropriate under this article, state or federal law, or other applicable law or regulation.

SECTION 7: AMENDMENT “Section 22-227 Compliance Checks And Inspections” of the Marshall Municipal Code is hereby *amended* as follows:

AMENDMENT

Section 22-227 Compliance Checks And Inspections

All Cannabis Retail Businesses, On-Site Intoxicating Hemp Product RetailersBusinesses and Intoxicating Hemp Product RetailersBusinesses premises shall be open to inspection by the city police or other authorized city official 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 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 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 article 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 8: AMENDMENT “Section 22-228 Prohibited Sales” of the Marshall Municipal Code is hereby *amended* as follows:

AMENDMENT

Section 22-228 Prohibited Sales

It shall be a violation of this article for any person to sell or offer to sell any Adult-use Cannabis Products or Intoxicating Hemp Product:

- (a) Not meeting the requirement or by the means authorized in Minnesota Statutes, section 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;
 - (2) Secured 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;
 - (5) ~~Age Verification - Minn. Stat. §151.72, subd. 5c.~~
 - (6) ~~Packaging, Labeling, and THC Limits - Minn.Stat. §151.72, subd. 5a.~~
 - (7) ~~Secure Storage and Sales - Minn. Stat. §151.72, subd. 5a (h).~~
 - (8) ~~Testing Requirements - Minn. Stat. §151.72, subd. 4.~~
 - (9) ~~Labeling Requirements - Minn. Stat. §151.72, subd. 5.~~
- (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;

- ~~(e) By any person under the age of 21 years.~~
- (d) For a nominal amount or by means of sampling.
- (e) By internet sales or delivery, unless the business utilizes an independent third-party age verification system.
- (f) By an 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 9: **AMENDMENT** “Section 22-229 On-Site Intoxicating Hemp Business Manufacturing” of the Marshall Municipal Code is hereby *amended* as follows:

AMENDMENT

Section 22-229 On-Site Intoxicating Hemp Business Manufacturing

- (a) On-Site Intoxicating Hemp Product ~~Retailers~~**Businesses** may manufacture Intoxicating Hemp Products intended to be consumed as a beverage as an accessory use only at breweries and distilleries licensed as such under Minnesota Statutes, Chapter 340A, as long as the manufacturing process for the beverages does not involve the cannabis plant and until March 1, 2025. For purposes of this Section, accessory use is defined to mean not accounting for more than 50% of the production of total product produced at the brewery or distillery. The transporting or distribution of such Intoxicating Hemp Products manufactured as an accessory use at a brewery or distillery to locations outside of the City also is allowed as part of the accessory use during this time period.
- (b) After March 1, 2025, On-Site Intoxicating Hemp Product Retailers also licensed as a lower-potency hemp edible manufacturer by the Office, may manufacture Intoxicating Hemp Products intended to be consumed on-site.
- (c) Intoxicating Hemp Products manufactured as described in 22-229 (a) and (b) may ~~only~~**not** be sold at retail for off-sale consumption by ~~the~~**an** On-Site Intoxicating Hemp Product ~~Retailer~~**Business** when that business holds both a current lower-potency hemp edible manufacturer license from the Office and a current lower-potency hemp edible retailer license from the Office.

SECTION 10: **AMENDMENT** “Section 22-231 Exceptions And Defenses” of the Marshall Municipal Code is hereby *amended* as follows:

AMENDMENT

Section 22-231 Exceptions And Defenses

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

SECTION 11: **AMENDMENT** “Section 22-232 Offenses Involving Individual Under The Age Of 21” of the Marshall Municipal Code is hereby *amended* as follows:

AMENDMENT

Section 22-232 Offenses Involving Individual Under The Age Of 21

- (a) **Illegal sales.** It shall be a violation of this article for any person to sell or otherwise provide any Adult-use Cannabis Product or Intoxicating Hemp Product to any individual under the age of 21.
- (b) **Illegal possession.** It shall be a violation of this article for any individual under the age of 21 to have in their possession any Adult-use Cannabis Product 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 article for any individual under the age of 21 to use any Adult-use Cannabis Product or Intoxicating Hemp Product.
- (d) **Illegal procurement.** It shall be a violation of this article for any individual under the age of 21 to purchase or attempt to purchase or otherwise obtain any Adult-use Cannabis Product or Intoxicating Hemp Product, and it shall be a violation of this article 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 Product or Intoxicating Hemp Product. This subsection shall not apply to individual under the age of 21 lawfully involved in a compliance check.
- (e) **Use of false identification.** It shall be a violation of this article 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 12: **AMENDMENT** “Section 22-233 Violations” of the Marshall Municipal Code is hereby *amended* as follows:

AMENDMENT

Section 22-233 Violations

- (a) **Notice.** Upon discovery of a suspected violation, the alleged violator shall be issued, either personally or by mail, a citation that sets forth the alleged violation and which shall inform the alleged violator of their right to be heard on the accusation.
- (b) **Hearings.** If a person accused of violating this article so requests, a hearing shall be scheduled, the time and place of which shall be published and provided to the accused violator.
- (c) **Hearing officer.** The hearing officer for any violations of this article shall be the city administrator or a person duly designated by the city administrator. It is not necessary that criminal charges be brought in order to support a determination of a registration violation nor does the dismissal or acquittal of such a criminal charge operate as a bar to adverse registration actions under this chapter.
- (d) **Decision.** If the hearing officer determines that a violation of this article did occur, that decision, along with the hearing officer's reasons for finding a violation, and the penalty to be imposed for a violation of this article, shall be recorded in writing, a copy of which shall be provided to the accused violator. Likewise, if the hearing officer finds that no violation occurred or finds grounds for not imposing any penalty, such findings shall be recorded and a copy provided to the acquitted accused violator.
- (e) ~~Appeals. Appeals of any decision made by the hearing officer shall be filed in the district court for the city.~~ **Final Decision.** Following the hearing, the City Administrator or their designee will notify the Council of the Decision. If the hearing officer recommended denial, revocation or suspension of the registration, the Council may continue consideration of the registration or renewal to accommodate necessary notification to the Office or may temporarily suspend the registration upon such terms and conditions as it deems reasonable and necessary to accomplish the purposes of this chapter. The decision by the City Council is final and not appealable but is subject to licensing decisions by the Office.
- (f) **Misdemeanor prosecution.** Nothing in this article shall prohibit the city from seeking prosecution as a misdemeanor for any alleged violation of this article. If the city elects to seek misdemeanor prosecution, no administrative penalty shall be imposed.
- (g) **Notification to the Office.** Within X days of any decision which impacts a state licensed Cannabis License Holder, as that term is defined in Minn. Stat. §342.01, subd 48, the City Council shall notify the Office of the suspension and shall include the grounds for the suspension. 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.
- (h) **Length of Suspension.** The continuation of consideration of an application or renewal for registration or the suspension of either a Cannabis Retail Business registration or Intoxicating Hemp Product Retailer registration may be for up to 30 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.

- ~~(f) **Continued violation.** Each violation and every day in which a violation occurs or continues shall constitute a separate offense.~~

SECTION 13: **AMENDMENT** “Section 22-234 Penalties For Violation Of Article” of the Marshall Municipal Code is hereby *amended* as follows:

AMENDMENT

Section 22-234 Penalties For Violation Of Article

- ~~(a) **Registrants and employees.** Any registrant, and any employee of a registrant, found to have violated this article shall be charged an administrative fine of \$75.00 for a first violation of this article; \$200.00 for a second offense at the same premises within a 24-month period; and \$250.00 for a third or subsequent offense at the same location within a 24-month period. In addition, after the third offense, the shall be suspended for a period to be determined by council resolution. In addition to these administrative fines, the may be suspended or the registration rescinded. Any expenses incurred by the city in appointing and conducting the hearing shall also be added to the administrative fine above stated.~~
- ~~(b) **Other individuals.** Other individuals, other than minors regulated by this article, found to be in violation of this article by providing or selling to minors shall be charged an administrative fee of \$75.00.~~
- ~~(c) **Possession Under 21.** Any individual under the age of 21 found in unlawful possession of, or who unlawfully purchases or attempts to purchase Intoxicating Hemp Product, shall be prosecuted as a misdemeanor.~~
- ~~(d) **Misdemeanor.** Nothing in this article shall prohibit the city from seeking prosecution as a misdemeanor for any violation of this article.~~

Any registration issued under this chapter may be revoked or suspended. In addition, any person who violates any provision of this chapter is subject to the general penalties section, Article 2-VII of this municipal code. Nothing in this article shall prohibit the city from seeking prosecution as a misdemeanor for any violation of this article.

SECTION 14: **ADOPTION** “Section 22-235 Severability” of the Marshall Municipal Code is hereby *added* as follows:

ADOPTION

Section 22-235 Severability(*Added*)

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.

SECTION 15: EFFECTIVE DATE This Ordinance shall take effect following its passage and summary publication in accordance with state law.

SECTION 16: SUMMARY PUBLICATION Pursuant to Minn. Stat. § 412.191, in the case of a lengthy ordinance, a summary may be published. While a copy of the entire ordinance is available without cost at the office of the City Clerk, the following summary is approved by the City Council and shall be published in lieu of publishing the entire ordinance: The ordinance requires a license or registration for the sale of all intoxicating hemp and cannabis products and establishes certain performance standards surrounding the sale of such products.

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