



MEMORANDUM

DATE: November 21, 2025
TO: Jacob Schillander
FROM: Scott Landsman
RE: Cannabis Retail Business Registration

Under the cannabis legislation, local control is limited to specific zoning and registration. In 2024, the City Council enacted Ordinance No. 331 that amended City Code by adding the zoning regulation. The Office of Cannabis Management is set to issue licenses effective January 1, 2026. The City Council will be presented with an ordinance to amend City Code pertaining to registration. The purpose of this memorandum is to provide an overview of the proposed registration ordinance.

- Section 4-690. This Section provides definitions, including a limitation of one cannabis retail business, except for lower-potency hemp edible retailer the limit is three. This means that there can be up to one dispensary and three lower-potency retailers.
- Section 4-691. This Section provides that in order to operate a cannabis business within the City, licensing with the State and registration with the City is required. No sales may be made to persons under 21. All sales must be made in compliance with the law.
- Section 4-692. This Section provides the process for registration with the City. The amount of registrations is limited by the cannabis business retail limit (maximum 1 dispensary and 3 lower potency, *e.g.*, 5 mg gummies).
- Section 4-693. Requires a registration fee that will be in the fee schedule. The City can charge for the initial registration, the lesser of, \$500 or up to half the amount of applicable initial license fee under Minn. Stat. § 342.11. For renewals, the City may charge, the lesser of, \$1,000 or up to half the amount of the applicable renewal license fee under the same statute. I have attached to this memorandum a copy of Minn. Stat. § 342.11 for your reference.¹
- Section 4-694. Following State Statute, the City may only deny a registration for noncompliance with zoning, noncompliance with fire and building codes, or the cannabis business retail limit has been met.
- Section 4-695. The licensees are responsible for the actions of their employees.
- Section 4-696. The City is responsible for compliance checks pursuant to Minn. Stat. § 342.22.

¹ The term of a registration ties to the license term. Minn. Stat. § 342.22 provides that the City shall renew a registration when Office of Cannabis Management renews a license, which is annual.

- Section 4-697. This Section provides for suspension and revocation of a registration for failure to comply with City Code and State Statute. In addition, civil penalties may be imposed up to \$2,000.
- Section 4-698. This Section provides the hours of operation.

Minnesota Statutes Annotated
Trade Regulations, Consumer Protection (Ch. 324-341)
Chapter 342. Cannabis

M.S.A. § 342.11

342.11. Licenses; fees

Effective: May 25, 2024

[Currentness](#)

(a) The office shall require the payment of application fees, initial licensing fees, and renewal licensing fees as provided in this section. The initial license fee shall include the fee for initial issuance of the license and the first annual renewal. The renewal fee shall be charged at the time of the second renewal and each subsequent annual renewal thereafter. Nothing in this section prohibits a local unit of government from charging the retailer registration fee established in [section 342.22](#). Application fees, initial licensing fees, and renewal licensing fees are nonrefundable.

(b) Application and licensing fees shall be as follows:

(1) for a cannabis microbusiness:

(i) an application fee of \$500;

(ii) an initial license fee of \$0; and

(iii) a renewal license fee of \$2,000;

(2) for a cannabis mezzobusiness:

(i) an application fee of \$5,000;

(ii) an initial license fee of \$5,000; and

(iii) a renewal license fee of \$10,000;

(3) for a cannabis cultivator:

(i) an application fee of \$10,000;

(ii) an initial license fee of \$20,000; and

(iii) a renewal license fee of \$30,000;

(4) for a cannabis manufacturer:

(i) an application fee of \$10,000;

(ii) an initial license fee of \$10,000; and

(iii) a renewal license fee of \$20,000;

(5) for a cannabis retailer:

(i) an application fee of \$2,500;

(ii) an initial license fee of \$2,500; and

(iii) a renewal license fee of \$5,000;

(6) for a cannabis wholesaler:

(i) an application fee of \$5,000;

(ii) an initial license fee of \$5,000; and

(iii) a renewal license fee of \$10,000;

(7) for a cannabis transporter:

(i) an application fee of \$250;

(ii) an initial license fee of \$500; and

(iii) a renewal license fee of \$1,000;

(8) for a cannabis testing facility:

(i) an application fee of \$5,000;

(ii) an initial license fee of \$5,000; and

(iii) a renewal license fee of \$10,000;

(9) for a cannabis delivery service:

(i) an application fee of \$250;

(ii) an initial license fee of \$500; and

(iii) a renewal license fee of \$1,000;

(10) for a cannabis event organizer:

(i) an application fee of \$750; and

(ii) an initial license fee of \$750;

(11) for a lower-potency hemp edible manufacturer:

(i) an application fee of \$250;

(ii) an initial license fee of \$1,000; and

(iii) a renewal license fee of \$1,000;

(12) for a lower-potency hemp edible retailer:

(i) an application fee of \$250 per retail location;

(ii) an initial license fee of \$250 per retail location; and

(iii) a renewal license fee of \$250 per retail location; and

(13) for a medical cannabis combination business:

(i) an application fee of \$10,000;

(ii) an initial license fee of \$20,000; and

(iii) a renewal license fee of \$70,000.

Credits

Laws 2023, c. 63, art. 1, § 11, eff. July 1, 2023; Laws 2024, c. 121, art. 2, § 62, eff. May 25, 2024.

M. S. A. § 342.11, MN ST § 342.11

Current with all legislation from the 2024 Regular Session. The statutes are subject to change as determined by the Minnesota Revisor of Statutes. (These changes will be incorporated later this year.)

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