

City of Spring Lake Park Staff Report



Agenda Date	Status
April 6, 2026 Work Session	
Requestor	Agenda Section
Administrator Buchholtz	Discussion
Agenda Item #: 2b	
Business Ordinance Updates, part 2	
Executive Summary	
<p>Staff is in the process of updating the City's business regulation ordinances to improve clarity, modernize standards, and ensure alignment with current state law and best practices. A first draft has been completed for the following sections: liquor regulations (last updated 2024), tobacco regulations (last updated 2020), sexually oriented businesses (1992), pawnbrokers and secondhand goods dealers (1990, with updates in 1994, 1995, 1997, 2000, 2002, 2003, 2004, 2008, 2013 and 2020), used car dealers (2011).</p> <p>These updates reflect substantial modernization of provisions that, in several cases, have not been comprehensively reviewed in decades. Staff is seeking City Council feedback on the initial drafts to confirm policy direction before forwarding the revised sections to the City Attorney for formal legal review.</p>	
Background	
<p><u>Liquor Regulations</u></p> <p>The proposed updates to Chapter 11.08 are primarily organizational and technical in nature. The ordinance has been restructured into clearer, more discrete sections to improve readability and day-to-day administration, and to better align with current code drafting practices. The revisions also include minor corrections to internal references to ensure consistency and accuracy. These changes do not alter the City's underlying licensing framework, operational standards, or authority under Minnesota Statutes Chapter 340A, but instead provide a cleaner and more usable ordinance for staff, applicants, and enforcement.</p> <p><u>Tobacco Regulations</u></p> <p>The proposed updates to Chapter 11.12 modernize and strengthen the City's tobacco licensing ordinance to reflect current law, public health data, and evolving retail practices. The revisions expand and update the purpose and findings section with current Minnesota-specific data and research to support the City's regulatory authority, and significantly refine definitions to address electronic delivery devices, nicotine products, and emerging product</p>	

types. The ordinance clarifies licensing procedures, strengthens compliance check requirements, and updates unlawful sales and operational standards, including continued prohibitions on vending machines and self-service merchandising. Enforcement provisions are also enhanced through revised administrative penalties, updated hearing procedures, and clearer accountability for licensees and employees. Overall, the changes improve clarity, strengthen enforceability, and align the ordinance with current best practices, while maintaining the City's existing licensing framework.

Massage Services

The proposed updates to Chapter 11.40 refine and strengthen the City's regulatory framework for massage services, with a focus on improving clarity, enforceability, and public safety protections. The revisions expand the findings section to better document the public health and safety rationale for regulation, including risks associated with certain locations such as hotel and motel rooms, and incorporate sauna-related uses into this chapter, allowing for the elimination of the standalone sauna ordinance. Definitions and licensing requirements are clarified, and application, background investigation, and eligibility standards are updated for consistency with Minnesota law. The ordinance also strengthens operational requirements, including restrictions on where services may be performed, enhanced accountability for licensees, updated professional conduct standards, and revised provisions related to local management and service of process. Overall, the changes modernize the ordinance, address known enforcement challenges, and provide a clearer and more defensible framework for regulating massage and related services within the City.

Pawnbrokers and Secondhand Goods Dealers

The proposed updates to Chapter 11.16 consolidate the City's regulation of pawnbrokers and secondhand goods dealers into a single, unified ordinance, allowing for repeal of the standalone secondhand goods chapter. The revisions expand the purpose and definitions to clearly incorporate both business types and establish consistent regulatory standards across them. The ordinance strengthens licensing requirements, including updated application, investigation, and eligibility provisions, and increases the required bond amount to enhance consumer protection. Operational requirements are also modernized, including expanded recordkeeping, electronic transaction reporting, and law enforcement coordination provisions to improve tracking of goods and support criminal investigations. Additional updates clarify enforcement authority, administrative penalties, and compliance expectations. Overall, the changes streamline administration, improve consistency, and provide a more effective and enforceable framework for regulating pawnbrokers and secondhand goods dealers.

Sexually Oriented Businesses

The proposed updates to Chapter 11.44 modernize and strengthen the City's regulatory framework for sexually oriented businesses, with a focus on improving clarity, enforceability, and legal defensibility. The revisions expand and update the findings section to incorporate recognized secondary-effects studies, including the Minnesota Attorney General's Working Group report, to support the City's regulatory authority. Definitions are clarified and expanded to reflect current business models, including the incorporation of sauna-related uses into this chapter, allowing for elimination of the standalone sauna ordinance. The ordinance also refines licensing procedures, eligibility standards, and operational requirements, including enhanced location restrictions, inspection authority, and performance standards aimed at mitigating adverse secondary impacts. Overall, the changes provide a clearer, more comprehensive, and more defensible framework for regulating sexually oriented businesses while maintaining the City's existing policy approach.

Used Motor Vehicle Dealers

The proposed updates to Chapter 11.20 establish a comprehensive and modern licensing framework for used motor vehicle dealers, replacing more limited or outdated provisions. The ordinance introduces detailed application requirements and clear licensing standards, including criteria for denial based on prior violations, criminal history consistent with Minnesota Statutes Chapter 364, and overall fitness to operate the business. It also incorporates operational requirements tied to zoning, including vehicle storage on approved surfaces and a separation requirement between dealerships to address land use compatibility. In addition, the chapter formalizes City Council authority for license action and establishes a structured administrative penalty framework to improve enforcement and compliance. Overall, the changes strengthen consumer protection, improve regulatory clarity, and provide a more consistent and enforceable framework.

License Background Checks

The proposed updates to Chapter 11.52 clarify and modernize the City's process for conducting criminal history background investigations for business license applicants. The ordinance updates the list of licenses subject to background checks to reflect recent ordinance changes, including consolidation of pawnbrokers and secondhand goods dealers and removal of obsolete license types such as vehicles for hire. The revisions also strengthen alignment with Minnesota Statutes Chapters 13 and 364 by clarifying data handling requirements, consent procedures, and the standards for evaluating criminal history, including rehabilitation and fitness considerations. In addition, the investigation fee provisions are updated to align with the City's fee schedule and to clearly establish when an application is considered complete. Overall, the changes improve consistency, ensure legal compliance, and provide a clearer and more defensible framework for licensing decisions.

Board/Commission Review

N/A

Financial Impact

Cost of publication; City attorney review costs

Staff Recommendation

Staff recommends that the City Council review the proposed ordinance updates and provide feedback on the policy direction and regulatory framework reflected in the drafts. Based on Council input, staff will finalize the revisions and forward the ordinances to the City Attorney for legal review. Following legal review, the ordinances will be brought back to the City Council for formal consideration and potential adoption.

Attachments

1. Liquor Regulations Proposed Ordinance Update
2. Tobacco Regulations Proposed Ordinance Update
3. Massage Services Proposed Ordinance Update
4. Pawnbrokers and Secondhand Goods Dealers Proposed Ordinance Update
5. Sexually Oriented Businesses Proposed Ordinance Update
6. Used Motor Vehicle Dealers Ordinance Update
7. License Background Checks Proposed Ordinance Update