

CITY OF GRANT
WASHINGTON COUNTY, MINNESOTA
ORDINANCE 2024-82

**An Ordinance Amending the Grant Code of Ordinances
To ADD Cannabis and Hemp Business Regulations**

The City Council of the City of Grant, Washington County, Minnesota, does hereby ordain as follows:

**SECTION 1. CHAPTER 5 IS HEREBY ADDED TO THE CODE OF ORDINANCE TO
ESTABLISH CANNABIS AND HEMP BUSINESS REGULATIONS**

That City Code is amended to ADD Chapter 5 Cannabis and Hemp Business Regulations to the Code of Ordinances.

Article I. Cannabis and Hemp Businesses
DIVISION 1. GENERALLY

Sec. 5-1. Definitions

The following words, terms and phrases, when used in this Chapter, shall have the meanings ascribed to them, except where the context clearly indicates a different meaning:

Applicant means an entity with a license or endorsement issued by the OCM that is applying for an initial registration or for registration renewal.

Act means Minnesota Statutes, Chapter 342, as is may be amended from time to time.

Cannabis Business has the same meaning as defined in Minnesota Statutes, section 342.01.

Cannabis Retailer means a business with a cannabis retailer license or cannabis retail endorsement from OCM.

Hemp Business means any business that is required to obtain a license from the Office of Cannabis Management (OCM) as defined by Minnesota Statute 342.43 Subd. 1, or successor statutes.

Lower-potency Hemp Edible Manufacturer means a hemp business that makes hemp concentrate, manufactures artificially derived cannabinoids lower-potency hemp edibles, and/or hemp-derived consumer products, and sells hemp concentrate, artificially derived cannabinoids, lower-potency hemp edibles, hemp-derived consumer products to other cannabis businesses and hemp businesses pursuant to Minnesota Statute Section 342.46.

Lower-potency Hemp Edible Retailer means any retail business that sells lower-potency hemp to customers and may be a standalone retail principal use or may be an accessory use to an existing retail establishment. Such Retailer may not hold a Cannabis Business license.

OCM means the Minnesota Office of Cannabis Management.

Retailer means every business that is licensed under the Act and required to register with the City under Minnesota Statutes, section 342.22. Including cannabis businesses and lower-potency hemp edible retailers.

Potential Licensee means an entity that has not received a license from the OCM and is seeking a pre-license certification.

Sec. 5-2. Findings and Purpose.

The City of Grant makes the following legislative findings: the purpose of this ordinance is to protect the public health, safety, and welfare in the City by implementing regulations pursuant to Minnesota Statutes Chapter 342 related to cannabis and hemp businesses within the City. The City finds and concludes that these regulations are appropriate and lawful, that the proposed amendments will promote the community's interest in reasonable stability in the development and redevelopment of the City for now and in the future, and that the regulations are in the public interest and for the public good.

Sec. 5-3. Cannabis Business and Hemp Business Locations.

The following location and siting standards shall apply to all Cannabis or Hemp Businesses in the City;

- (1) The land uses must be identified as permitted or conditionally permitted within the Zoning District in which the business is proposed.
- (2) Any Cannabis Business or Hemp Business may not be located within 1,000-feet of another Cannabis or Hemp Business. The Zoning Administrator shall be responsible for calculating the distance which shall be measured from the property line of the proposed location.
- (3) Must comply with the buffer and location standard as established in Sec 32-355 of the Zoning Ordinance.

Sec. 5-4. Registration of Cannabis Businesses and Hemp Businesses.

- (1) *Registration Required.* Before a Cannabis Business or Hemp Business conducts any business activities in the City, the business must register with the City. Conducting business without an active registration is prohibited. Subject to Minn. Stat. 342.22, subd. 5(e) the city may impose a civil penalty, as specified in the City's Fee Schedule, for conducting business without a valid registration from the City and a valid license from the OCM.
 - a. The City shall limit the number of Cannabis Business Retail Registrations as described in subsection (2) herein.

- b. All other Cannabis Businesses or Hemp Businesses shall be required to obtain Registration from the City but shall not be limited in number excepted as expressly described in Sec. 5-3 of this Ordinance.

(2) *Cannabis Retail Registration Limits*

- a. The City will issue one (1) Cannabis Retail Registration, which shall include any Retail License, Microbusiness License with a Retail Endorsement, or Mezzobusiness License with a Retail Endorsement.
- b. The number registrations available will be calculated by dividing the state demographer's estimate of the City's population by 12,500 and round up to the nearest whole number.
- c. The City will update the number of registrations available based on the most recent data available from the state's demographer on January 1 or each year.
- d. Registrations issued to a business with a license preapproval issued by the OCM will count toward the City's registration limit.
- e. Businesses operating under a tribal compact entered into under Minnesota Statutes, section 3.9224 or 3.9228 and tribally issued licenses and registrations are counted towards the City's registration limit.

(3) *Processing Registrations.*

- a. Applications will be processed on a first-come, first-served basis based on the City receiving a complete application for both Registration and any complete land use permit approvals. Applications will be considered complete when 1) all required land use permit application materials are received; 2) when the Registration materials in subsection (4) of this Chapter are received; and 3) all required information, and the fee described in Section 4D is received.
 - i. If a Cannabis Retailer proposes to locate in a new building that is not yet constructed a Conditional Registration may be granted concurrently to the land use approval process. Conditional Retail Registration shall be counted towards the City's allocation established in subsection (2) herein. The City may include reasonable conditions regarding the time performance for the transition of the Conditional Retail Registration to a permanent Registration.

(4) *Application.* The applicant must submit a registration application or renewal form provided by the City. The form may be amended from time to time by the City, but must include or be accompanied by:

- a. Name of the Property Owner and Signature
- b. Name of the Applicant and Signature
- c. Address and parcel ID for the property for which the Registration is sought.
- d. *Fee Required.* At the time of initial application, and prior to the City's consideration of any renewal application, each Retailer must pay, as established in the City's fee schedule, the following fees:
 - i. At the time of initial registration:
 - 1. Initial Registration fee. The initial registration fee will pay for the costs of the registration and the cost of the first year of operation.
 - 2. The renewal fee for the second year of operation.

- ii. At the time of the first annual renewal (prior to the second year of operation) no fee will be due.
 - iii. At the time of the second annual renewal, and each year thereafter, the renewal fee must be paid prior to the City issuing any renewal registration.
 - iv. Initial registration fees and renewal registration fees are nonrefundable.
 - v. Proof of taxes, assessment, utility charges or other financial claims of the city or the state are current.
 - vi. A copy of a valid state license or written notice of OCM license preapproval.
- (5) *Application Compliance Check with Zoning Requirements.* Prior to issuing any registration, the City shall conduct a compliance check to ensure compliance with this Chapter, Chapter 32, and any other regulations established pursuant to Minnesota Statutes, Section 342.13. Such compliance check shall include documentation of any land use permit approvals required to comply with the provisions of this chapter.
- (6) *Reasons for Denial.* The City shall not issue a registration or renewal if any of the following conditions are true:
- a. The applicant has not submitted a complete application.
 - b. The applicant does not comply with the requirements of this Chapter.
 - c. The applicant does not comply with the applicable zoning and land use regulations.
 - d. The applicant is found to not comply with the requirements of the Act or this Chapter at the compliance check.
 - e. The applicant is not current on all property taxes and assessments at the location where the Cannabis or Hemp Business is located.
 - f. The maximum number of Retail Registrations, pursuant to Section 2 has been issued by the City.
 - g. The proposed Cannabis or Hemp Business location is within 1,000-feet of another Registered Cannabis or Hemp Business in the City.
 - h. The applicant does not have a valid license from the OCM.
- (7) *Issuing the Registration or Renewal.* The City shall issue the registration or renewal if the business meets the requirements of this Chapter, including that none of the reasons for denial in Section (6) are true.
- (8) *Nontransferable.* A registration is not transferable to another person, entity, or location.

Sec. 5-5. Retail Hours of Operation

- (1) Cannabis Retailers are limited to retail sale of cannabis, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products as follows:
 - a. Daily, 10:00 a.m. to 9:00 p.m.

Sec. 5-6. Registration Enforcement

- (1) Generally. The City Council may impose a fine or suspend a registration under this Chapter on a finding that the registered business has failed to comply with the requirements of this Chapter or any applicable statute or regulation.

- (2) Notice and Right to Hearing. Prior to imposing a fine or suspending any registration under this Chapter, the City shall provide the registered business with written notice of the alleged violations and inform the registered business of this or her right to a hearing on the alleged violation.
 - a. Notice shall be delivered in person or by regular mail to the address of the registered business and shall inform the registered business of its right to a hearing. The notice will indicate that a response must be submitted within ten (10) business days of receipt of the notice, or the right to a hearing will be waived.
 - b. The registered business will be given an opportunity for a hearing before the City Council before final action to fine or suspend a registration. Provided, the registered business has submitted a written application for appeal within 10 business days after the notice was served. The City Council shall give due regard to the frequency and seriousness of the violations, the ease with which such violations could have been cured or avoided and good faith efforts to comply and shall issue a decision to fine or suspend the registration only upon written findings.
 - c. If no request for a hearing is received within ten (10) business days following the service of the notice, the matter shall be submitted to the City Council for imposition of the fine or suspension of the registration.
- (3) Emergency. If, in the discretion of the City, a registered business poses an imminent threat to the health or safety of the public, the City may immediately suspend the registration and provide notice of the right to hold a subsequent hearing as prescribed in part (2) of this section.
- (4) Reinstatement. The City may reinstate a registration if it determines that the violations have been resolved. The City shall reinstate a registration if the OCM determines the violations have been resolved.

Sec. 5-7. Compliance Checks

- (1) The City shall complete at minimum one compliance check per calendar year of every registered Retail Cannabis Business to assess if the business meets age verification requirements, as required under [Minn. Stat. 342.22 Subd. 4(b) and Minn. Stat. 342.24] and any applicable cannabis or hemp regulations adopted by the city.
- (2) The City shall conduct a minimum of one unannounced age verification compliance check per calendar year at each Cannabis Retail Business. Age verification compliance checks shall involve persons at least 17 years of age but under the age of 21 who, with the prior written consent of a parent or guardian if the person is under the age of 18, attempt to purchase adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products under the direct supervision of a law enforcement officer or an employee of the City.
- (3) Any failures under this section are basis for enforcement action and must be reported to the OCM.

Sec. 5-8. Penalties, Administration and Enforcement

- (1) Any violation of the provisions of this Chapter or failure to comply with any of its requirements constitutes a misdemeanor and is punishable as defined by law. Each day each violation continues or exists, constitutes a separate offense

SECTION 2. AMEND CHAPTER 32 ZONING TO INCLUDE CANNABIS AND HEMP BUSINESS ZONING STANDARDS AND REGULATIONS.

That City Code Chapter 32, Article I, Section 32-1, “Definitions” is hereby AMENDED to ADD the following definitions:

Cannabis Cultivation means a Cannabis Business that grows cannabis plants from seed or immature plant to mature plant, harvests the cannabis flower from a mature plant, and packages and labels immature cannabis plants, seedlings, and cannabis for sale pursuant to Minnesota Statutes 342.01 Subd.30, or successor statutes.

Cannabis Dispensary means a Cannabis Business that is involved in the sale of one or more of the following: immature cannabis plants and seedlings, adult-use cannabis flower, or adult-use cannabis products and any other products authorized by law to customers pursuant to Minnesota Statute Chapter 342 and as defined by Minnesota Rule 9810.0200 that requires a license from the OCM to operate.

Cannabis Event means a temporary cannabis event lasting not more than four days operating pursuant to Minnesota Statute 342.39.

Cannabis Manufacturing/Laboratory means a Cannabis Business that makes cannabis and/or hemp concentrate, manufactures artificially derived cannabinoids, adult-use cannabis products, lower-potency hemp edibles, and/or hemp-derived consumer products, and sells cannabis concentrate, hemp concentrate, artificially derived cannabinoids, cannabis products, lower-potency hemp edibles, hemp - derived consumer products to other cannabis businesses pursuant to Minnesota Statute Section 342.31.

Cannabis Wholesale/Distribution/Storage means a Cannabis Business that is involved in the storage, distribution or wholesaling of cannabis that does not involve direct sales to the general public and is required to obtain a license from the OCM.

Hemp Business means any business that is required to obtain a license from the Office of Cannabis Management (OCM) as defined by Minnesota Statute 342.43 Subd. 1, or successor statutes.

License Types. The OCM issues licenses to the Cannabis Business based on the proposed business activities. The License Types are defined in Minnesota Statute Chapter 342 and the specific standards and requirements to obtain the license are established within Chapter 342.

Lower-potency Hemp Edible Manufacturer means a hemp business that makes hemp concentrate, manufactures artificially derived cannabinoids lower-potency hemp edibles, and/or hemp-derived consumer products, and sells hemp concentrate, artificially derived cannabinoids, lower-potency hemp edibles, hemp-derived consumer products to other cannabis businesses and hemp businesses pursuant to Minnesota Statute Section 342.46.

Lower-potency Hemp Edible Retailer means any retail business that sells lower-potency hemp to customers and may be a standalone retail principal use or may be an accessory use to an existing retail establishment. Such Retailer may not hold a Cannabis Business license.

SECTION 3. AMENDMENT OF CHAPTER 32, SECTION 32-245 TABLE OF USES, OF THE CITY’S CODE OF ORDINANCES.

That City Code Chapter 32, Article I, Section 32-245, “Table of uses”, Item (c) is hereby AMENDED to ADD the following:

| Use | Conservancy | Agricultural A1 | Agricultural A2 | Residential R1 | General Business (GB) |
|--|-------------|--------------------|--------------------|-------------------|--------------------------|
| (KEY) <i>P = Permitted</i> <i>C = Conditional Use Permit and public hearing</i> <i>I=Interim Use Permit and public hearing</i> <i>CC=Certificate of Compliance</i> <i>A = Permitted accessory use</i> <i>N = Not Permitted</i> | | | | | |
| Cannabis Cultivation (indoor) | N | N | N | N | CUP |
| Cannabis Cultivation (outdoor) | N | CC | CC | N | N |
| Cannabis Dispensary (Retail) | N | A/IUP | A/IUP | N | CUP |
| Cannabis Event | N | IUP | IUP | N | IUP |
| Cannabis Manufacturing | N | A/IUP | A/IUP | N | CUP |
| Cannabis Wholesale/Distribution/Storage | N | A/IUP | A/IUP | N | CUP |
| Lower-potency Hemp Edible Manufacturer | N | N | N | N | CUP |
| Lower-potency Hemp Edible Retailer | N | N | N | N | CUP |

SECTION 4. AMENDMENT OF CHAPTER 32, TO ADD SECTION 32-355 CANNABIS AND HEMP BUSINESSES TO THE CITY’S CODE OF ORDINANCES.

That City Code Chapter 32, Article IV, Supplemental Regulations is hereby AMENDED to ADD Section 32-355 Cannabis and Hemp Businesses as follows:

Sec. 32-355. Cannabis and Hemp Businesses.

- (1) *Purpose.* The purpose of this section is to regulate Cannabis Businesses and Hemp Business uses identified on Table 32-246 for the purpose of describing and defining license types, operations, businesses and activities that are associated with the cultivation, production, storage and distribution or sale of cannabis or hemp as regulated by Minnesota State Statutes Chapter 342.
- (2) *Standards Applicable to all Cannabis and Hemp Businesses.* The following standards shall be applicable to all Cannabis Businesses:
 - A. **Licensing.** All Cannabis Businesses must hold a temporary or permanent license issued by the OCM. The issued License Type must be consistent with the proposed Cannabis Business contemplated by the Applicant.
 - B. **Registration with the City.** All Cannabis Businesses must register with the City consistent with Chapter 5 of the code of ordinances. All applicable registration fees must be paid and must be renewed annually to remain in good standing.
 - C. **Principal and Accessory Cannabis Business Uses.** The principal Cannabis Business use must be identified. A Cannabis Business that includes multiple cannabis activities/uses must establish a principal use and define all other cannabis activities as accessory. Both the principal and accessory uses must be permitted or conditionally permitted on Table 32-246, and the applicable land use approvals must be obtained for all principal and accessory uses.

- D. Location. All Cannabis and Hemp Businesses must meet the following setback standards:
- i. Must be setback a minimum of 1,000 feet from any other Cannabis Business, except:
 - 1. A Cannabis Business that is only conducting onsite outdoor cannabis cultivation may be exempt from the setback requirement provided the canopy area meets all other applicable standards of this ordinance and Chapter 5.
 - ii. Must be setback a minimum of 1,000 feet from a private or public school.
 - iii. Must be setback a minimum of 500 feet from a Residential Treatment Facility.
 - iv. Must be setback a minimum of 1,000 feet of a public or private school
 - v. The setback shall be measured from the property line of the Cannabis Business and the Zoning Administrator shall apply the appropriate buffer
- E. All Cannabis and Hemp Business activities must comply with the Zoning District standards for the applicable use including dimensional standards, parking, and stormwater.
- F. Site Plan Review. Any Cannabis or Hemp Business must submit a Site Plan as part of the land use application process. Such site plan must be drawn to scale and must clearly delineate the Cannabis or Hemp activities/uses and must be accompanied by:
- i. Odor mitigation. Any Cannabis Business that has the potential to create noxious odors must submit an odor mitigation plan for the facility. Such plan must demonstrate that the odors are mitigated to the maximum extent possible to be non-discernable at the property line. Such odor mitigation plan may be subject to review by a third part expert, as determined by the City.
 - ii. Security Plan. All Cannabis Businesses must provide a copy of the approved Security Plan for the business operations as submitted by the Applicant to obtain their License from the OCM.
- (3) *Standards Applicable to Cannabis Cultivation.* The following standards shall apply to all Cannabis Business that include Cannabis Cultivation activities:
- A. Indoor Cannabis Cultivation.
 - i. May not exceed 15,000 square feet of indoor canopy as defined by Minnesota State Statute Chapter 342.
 - ii. Must be fully contained indoors.
 - iii. Must meet all parking and setback standards for comparable industrial/manufacturing uses.
 - B. Outdoor Cannabis Cultivation.
 - i. Must be an accessory use to a principal residential use, unless a Interim Use Permit is obtained.

- ii. Minimum Lot Size: 20 acres
 - iii. May not exceed 2 acres of mature canopy as defined by Minnesota State Statute Chapter 342.
 - iv. Cultivation/canopy area must be fully screened from all public right-of-way and from adjacent residential property lines.
 - v. Cultivation/canopy area must be setback a minimum of 200-feet from any shared residential property line.
 - vi. Cultivation field must be properly secured consistent with Minnesota State Statute Chapter 342 and any applicable Minnesota Rules.
 - vii. Hoop houses, greenhouses, or other temporary agricultural structures are permitted and must comply with the accessory standards established in Section 32-313 of this ordinance.
- C. Site Plan review. All applicants for Cannabis Cultivation must obtain a Certificate of Compliance from the Zoning Administrator. The applicant must submit a Site Plan that is to-scale to show the cultivation area, any temporary structures, lighting plan, and security plan. The Zoning Administrator shall be authorized to issue the Certificate of Compliance, and at their discretion may request review and approval by the City Council.
- (4) Standards Applicable to Cannabis Dispensary or Retail Endorsement. The following standards shall apply to all Cannabis Businesses that include Retail sales activities, whether as a standalone use or if a retail endorsement to a microbusiness or Mezzobusiness:
- A. Hours of operation shall be limited to those established in Chapter 5 of the Code of Ordinances.
 - B. No onsite consumption shall be permitted, except as may be associated with a specific License Type as regulated by the OCM and Minnesota State Statute Chapter 342.
 - i. No outdoor consumption area may be visible from the public right-of-way or a shared residential property line.
 - C. Any Cannabis Business Retail endorsement that includes cultivation activities must comply with the following:
 - i. Cannabis Retail must be setback from the road a minimum of 500-feet.
 - ii. Must be located on a parcel with a minimum of 20-acres.
 - iii. Must be located on a County or State Road.
 - iv. Must comply with all sign standards, except as expressly permitted with Minnesota State Statute Chapter 342 or Minnesota Rules.

SECTION 5. SEVERABILITY.

In the event that court of competent jurisdiction adjudges any part of this ordinance to be invalid, such judgment shall not affect any other provisions of this ordinance not specifically included within that judgment.

SECTION 6. EFFECTIVE DATE.

This ordinance takes effect upon its adoption and publication according to law.

WHEREUPON, a vote, being taken upon a motion by Council member _____ and seconded by Council member _____, the following upon roll call:

Voting AYE:

Voting NAY:

Whereupon said Ordinance was declared passed adopted this ____ day of _____, 2024.

Jeff Huber, Mayor

Attest: Kim Points, City Clerk