

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

ORDINANCE NO. _____

**AN ORDINANCE ADOPTING INVER GROVE HEIGHTS CITY CODE TITLE 4,
CHAPTER 4, CANNABIS AND HEMP BUSINESS REGULATIONS**

THE CITY COUNCIL OF THE CITY OF INVER GROVE HEIGHTS ORDAINS AS FOLLOWS:

Section One. Adoption. Title 4, Chapter 4 of the Inver Grove Heights City Code is hereby adopted as follows:

CHAPTER 4

CANNABIS AND HEMP BUSINESS REGULATIONS

- 4-4-1 Purpose and Findings
- 4-4-2 Definitions
- 4-4-3 Pre-License Certification of Cannabis Businesses
- 4-4-4 Registration of Retailers
- 4-4-5 Cannabis Retailer Registration Limits
- 4-4-6 Processing Registration
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- 4-4-11 Registration Nontransferable
- 4-4-12 Enforcement
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- 4-4-14 Cannabis Retailer Operating Regulations
- 4-4-15 Lower-Potency Hemp Retailer Operating Regulations
- 4-4-16 Temporary Cannabis Events

4-4-1: PURPOSE AND FINDINGS:

The City of Inver Grove Heights makes the following legislative findings: The purpose of this Chapter is to protect the public health, safety, welfare in the City by implementing regulations pursuant to Minnesota Statutes, Chapter 342 related to cannabis businesses and lower potency hemp edible retailers within the City, including reasonable time, place, and manner restrictions on the operation of cannabis retail businesses and lower potency hemp edible retail businesses. The

City finds and concludes that these regulations are appropriate and lawful, and that the proposed regulations will promote the City's interest in promoting the public interest.

4-4-2: DEFINITIONS:

The following words, terms, and phrases, when used in this Chapter, shall have the meanings ascribed to them in this Chapter, except where the context clearly indicates a different meaning. Additionally, the words and phrases used in this Chapter which are defined in Minnesota Statutes, Section 342.01 and the rules promulgated pursuant to Minnesota Statutes, Chapter 342, shall have the meanings ascribe to them in those statutes and rules.

APPLICANT: An entity with a license issued by the Office of Cannabis Management (OCM) that is applying for an initial registration or for registration renewal.

THE ACT: Minnesota Statutes, Chapter 342, as it may be amended from time to time.

CANNABIS BUSINESS: Cannabis Business shall have the definition in Minnesota Statutes, Section 342.01.

CANNABIS RETAILER OR CANNABIS RETAIL BUSINESS: Every retail cannabis business that is licensed under the Act and required to register with the City under Minnesota Statutes, Section 342.22.

DAY CARE: Day Care means a location licensed with the Minnesota Department of Human Services to provide for the care of a child in a residence or other location outside the child's home for gain or otherwise, on a regular basis, for any part of the day.

HEMP BUSINESS: Hemp Business shall have the definition in Minnesota Statutes, Section 342.01.

LOWER-POTENCY HEMP EDIBLE RETAILER: Every lower-potency hemp edible retail business that is licensed under the Act and required to register with the City under Minnesota Statutes, Section 342.22.

MEDICAL CANNABIS COMBINATION BUSINESS: Medical Cannabis Combination Business shall have the definition in Minnesota Statutes, Section 342.01.

OFFICE OF CANNABIS MANAGEMENT OR OCM: The Office of Cannabis Management.

PARK FEATURE: An attraction within a public park that is regularly used by minors, including but not limited to a playground or athletic field.

POTENTIAL LICENSEE: An entity that has not received a license from the OCM and is applying for a pre-license certification.

RESIDENTIAL TREATMENT FACILITY: Any facility licensed or regulated by the Minnesota Department of Human Services that provides 24-hour-a-day care, lodging, or supervision outside a person's home and which also provides chemical dependency or mental health services.

RETAIL REGISTRATION: An approved registration issued by the City of Inver Grove Heights to a state-licensed cannabis retail business, including a medical cannabis combination business, or lower-potency hemp edible retailer.

REGISTERED BUSINESS: A Cannabis Business or Lower-Potency Hemp Edible Retailer required to be registered with the City pursuant to this Chapter.

SCHOOL. School means a kindergarten, elementary school, middle school, or secondary school as defined in Minnesota Statutes, Section 120A.05.

4-4-3: PRE-LICENSE CERTIFICATION OF CANNABIS BUSINESSES:

- A. Certification of Compliance with Zoning Ordinance. The Zoning Administrator, or their designee, is authorized to certify whether a proposed Cannabis Business complies with the City's zoning ordinances and, if applicable, with state fire code and building code, pursuant to Minnesota Statutes, Section 342.13.
- B. Zoning Approvals. Potential Licensees are responsible for obtaining all necessary zoning approvals prior to the City receiving the request for certification from the OCM. If a Potential Licensee fails to obtain necessary zoning approvals prior to the City receiving a request for certification, the City will inform the OCM that the Potential Licensee does not meet the City's zoning requirements and regulations.
- C. Building Inspections. At the time the City receives a request for zoning certification, if there are no further intended alterations to the building where the business is to be conducted, the City will also certify compliance with building and fire code regulations, provided that the Potential Licensee has obtained and passed all necessary inspections prior to the City's receipt of a request for certification from the OCM. Building and fire code inspections will be valid for 1 year from completion.

4-4-4: REGISTRATION OF RETAILERS:

- A. Retail Registration Required. No person or entity may operate a state-licensed Cannabis Retail Business, or a Lower Potency Hemp Edible Retailer without first registering with the City. Before making retail sales to customers or patients, all Cannabis Retailers and Lower-Potency Hemp Edible Retailers must register with the City. Making retail sales to customers or patients without an active registration is prohibited. The requirement to register with the City includes any cannabis micro or mezzo businesses with a retail sales component.
- B. Penalty. A Cannabis Retailer or Lower-Potency Hemp Edible Retailer that sells to a customer or patient without a valid retail registration shall be subject to a civil penalty of up to \$2,000 for each violation.

4-4-5: CANNABIS RETAILER REGISTRATION LIMIT:

- A. Cap on number of Cannabis Retailer registrations:
 - 1. The number of registered cannabis retail businesses within the City shall be limited to a maximum of four (4).
- B. Exception: The following businesses are not subject to the cap on registration under Paragraph A above:
 - 1. Lower-Potency Hemp Edible Retailer; and
 - 2. Medical cannabis combination businesses.

4-4-6: PROCESSING REGISTRATION:

Initial 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 Section 4-4-7, including all required information, are received by the City. The date a certification under Section 4-4-3 is issued will have no impact on the applicant's registration processing and is not an indication that the cap on registrations has not been met.

4-4-7: REGISTRATION APPLICATION:

All applicants for initial registration or renewal registration must submit a registration application or renewal application on the form provided by the City. The form may be amended from time to time by the City Clerk and shall include the information listed below.

- A. Required Application Information.
 - 1. Name and date of birth of the applicant;

2. Address and parcel ID for the property for which the registration is sought;
3. Name of the property owner;
4. Certification that the applicant's proposed business complies with the requirements of this Chapter;
5. Proof that the applicant or owner of the property where the business will be located is current on all property taxes and assessments at the location where the retail establishment is or will be located; and
6. A copy of a valid state license or written notice of OCM license preapproval.

B. Fee Required. At the time of initial application, and prior to the City's consideration of any renewal application, each Cannabis Retailer must pay an initial registration fee as well as renewal fees in the amount established by the City's fee schedule. Initial registration fees and renewal registration fees are nonrefundable.

4-4-8: PRELIMINARY COMPLIANCE CHECK:

Initial Cannabis Retailer or Lower-Potency Hemp Edible Retailer registration shall not be issued unless, prior to opening for operations following approval of an application for initial registration, the applicant has passed a preliminary compliance check conducted by the City to ensure compliance with this Chapter and any other regulations established pursuant to Minnesota Statutes, section 342.13.

4-4-9 BASIS FOR DENIAL:

The City shall not issue a registration or renewal for any Cannabis Retailer or Lower-Potency Hemp Edible Retailer if any of the following conditions are true:

- A. The applicant has not submitted a complete application.
- B. The applicant or application does not comply with the requirements of this Chapter.
- C. The proposed use does not comply with applicable zoning and land use regulations.
- D. If applicable, the applicant or proposed use is found to not comply with the requirements of the Act, this Chapter, the building code, or the fire code at the preliminary compliance check.
- E. The applicant or owner of the property where the business will be located is not current on all property taxes and assessments at the location where the retail establishment is or will be located.

F. If applicable, the maximum number of registrations, pursuant to Section 4-4-5 have been issued by the City or within the County.

G. The applicant does not have a valid license from the OCM.

4-4-10: TERM AND ISSUANCE OF REGISTRATION OR RENEWAL:

The City shall issue the initial or renewal registration if the applicant meets the requirements of this Chapter, and no grounds for denial of the registration under this Chapter or Minnesota Statutes, Chapter 342 exist. All registrations shall expire on December 31st of each year. Registration fees for partial year registrations shall be prorated on a quarterly basis.

4-4-11: REGISTRATION NONTRANSFERABLE:

A retail registration is not transferable to another person, entity, or location.

4-4-12: ENFORCEMENT:

A. Generally. The City may impose a fine or suspend a registration for up to thirty (30) days under this Chapter on a finding that the registered business has failed to comply with an applicable statute, regulation, or ordinance, including a violation of this Chapter.

B. 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 its right to a hearing on the alleged violation.

1. 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) days of receipt of the notice, or the right to a hearing will be waived.
2. After receipt of a request for a hearing, the registered business will be given an opportunity for a hearing before the City Council, before final action to fine or suspend a registration. 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.
3. If no request for a hearing is received within ten (10) days following the service of the notice, the matter shall be submitted to the City

Council for imposition of the fine or suspension.

- C. 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 Paragraph B above. The City shall immediately notify the OCM in writing of the grounds for suspension.
- D. Reinstatement. The City may reinstate a registration if it determines that the violations have been resolved. The City shall reinstate the registration if the OCM determines the violations have been resolved.
- E. Reporting to OCM. All enforcement actions under this Chapter will be reported to the OCM.

4-4-13: PENALTIES.

- A. Misdemeanor. Any person who violates this Chapter is guilty of a misdemeanor and, upon conviction, is subject to a fine and imprisonment as prescribed by state law. Each day each violation continues or exists, constitutes a separate offense.
- B. Additional Enforcement Action. Violation of this Chapter shall be grounds for such other enforcement as is allowed under this Code, state statute, or common law.

4-4-14: CANNABIS RETAILER OPERATING REGULATIONS:

- A. Buffer Requirements. No Cannabis Retail Business may be located within:
 - 1. 1,000 feet of a school;
 - 2. 500 feet of a day care;
 - 3. 500 feet of a residential treatment facility;
 - 4. 500 feet of an attraction within a public park that is regularly used by minors; or
 - 5. 1,000 feet of another Cannabis Retail Business.

Buffers shall be measured from the closest point of each building, or part of a building, where the above use is located, or closest area of an attraction located in a public park, to the building or part of a building where a Cannabis Retail Business is located.

Nothing in this Section shall prohibit an active Cannabis Retail Business from continuing operation at the same site if any of the above begin operation within the minimum buffer zone.

- B. Compliance Checks. The City shall complete, at a minimum, one compliance check per calendar year of every registered Cannabis Business to assess if the business meets age verification requirements, as required under Minnesota Statutes, Section 342.22 Subd. 4(b) and this ordinance. Any failures under this section shall be a basis for enforcement action and must be reported to the OCM.
- C. Hours of Operation. Cannabis businesses are limited to retail sale of cannabis, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to between the hours of 8:00 a.m. and 10:00 p.m. Monday through Saturday, and 10:00 a.m. and 9:00 p.m. on Sunday.
- D. Display of License and Registration. All licenses and registrations must be posted and displayed in plain view of the general public on the premises.

4-4-15: LOWER-POTENCY HEMP EDIBLE RETAILER OPERATING REGULATIONS:

- A. Buffer Requirements. No Lower Potency Hemp Edible Retailer may be located within:
 1. 1,000 feet of a school;
 2. 500 feet of a day care;
 3. 500 feet of a residential treatment facility;
 4. 500 feet of an attraction within a public park that is regularly used by minors; or
 5. 1,000 feet of another Lower-Potency Hemp Edible Retailer.

Buffers shall be measured from the closest point of each building, or part of a building where the above use is located, or closest area of an attraction located in a public park, to the building or part of a building where a Lower Potency Hemp Edible Retailer is located.

Nothing in this Section shall prohibit an active Lower Potency Hemp Edible Retailer from continuing operation at its current location if any of the above begin operation within the minimum buffer zone. The buffer requirements established above shall not apply to the location of a business that is legally selling edible cannabinoid products as of the date that a license is required from the OCM for the sale of Lower Potency Hemp Edibles, provided that the business is operating legally in compliance with the City's zoning ordinance and state statutes.

- B. Compliance Checks. The City shall complete, at a minimum, one compliance check per calendar year of every registered hemp edible retail business to assess if the business meets age verification requirements, as required under Minn. Stat. 342.22 Subd. 4(b) and this ordinance. Any

failures under this section shall be a basis for enforcement action and must be reported to the OCM.

- C. Display of License and Registration. All licenses and registrations must be posted and displayed in plain view of the general public on the premises.
- D. Additional Restrictions. All Lower Potency Hemp Edibles must be displayed and stored in accordance with the requirements found in Minn. Stat. 342.46, subd. 4.

4-4-16: TEMPORARY CANNABIS EVENTS:

- A. Permit Required. No Temporary Cannabis Event may be held without the organizer first obtaining a Temporary Cannabis Event Permit from the City.
- B. Fee Required. Applicants for a Temporary Cannabis Event Permit must pay the non-refundable application fee found in the City's fee schedule.
- C. Application Submittal and Review.
 - 1. An Applicant for a Temporary Cannabis Event permit shall complete the required City of Inver Grove Heights application form as provided by the City Clerk. The application form shall require the following information:
 - i. Name, address, email address and phone number of applicant.
 - ii. Phone number of applicant or their representative who will be present at all times during the event.
 - iii. Address of the property where the Temporary Cannabis Event is proposed to take place, along with the name, contact information, and signature of the property owner, if the applicant is not the property owner.
 - iv. The maximum capacity and estimated attendance for the event.
 - v. A site plan for the event, identifying entrance and exit locations, vehicular traffic routes, vehicle parking quantity and locations, and access routes for emergency vehicles. The site plan shall identify the cannabis consumption areas, and describe the methods to be used to ensure that consumption in those areas will be in compliance with the provisions of Minnesota Statutes, Chapter 342 and all local regulations of cannabis consumption.
 - vi. Such other information as the City Clerk deems reasonable and necessary to the application.

2. The application shall be accompanied by the non-refundable application fee required by the City Fee Schedule.
3. The application shall be reviewed by the City Clerk for completeness; if the application is incomplete, the City Clerk shall return the application to the applicant with a written notice of the application deficiencies.
4. The application for a Temporary Cannabis Event Permit must be submitted and deemed complete by the City Clerk at least 45 days prior to the start of the proposed Temporary Cannabis Event.
5. Once an application is considered complete, the City Clerk shall inform the applicant as such, process the application fee, and forward the application to the City Council for approval or denial.

D. Standards for Temporary Cannabis Events.

1. A city-issued Temporary Cannabis Event Permit shall only be valid when the applicant has a corresponding Cannabis Event Organizer license issued by the OCM. A copy of the applicant's Cannabis Event Organizer license shall be provided to the City Clerk as least 48 hours before the start of the Temporary Cannabis Event.
2. If the holder of the Cannabis Event Organizer license is an individual, the individual must be present on the location of the event at all times; if the holder is a corporation or other entity, a designated representative of the holder must be present at all times during the event.
3. Temporary Cannabis Events may only be held on non-City owned property, with the permission of the property owner.
4. Temporary Cannabis Events may not be held on residentially-zoned property, including property zoned A-Agriculture.
5. Temporary Cannabis Events shall only be held between the hours of 8:00 a.m. and 10:00 p.m. Monday through Saturday, and 10:00 a.m. and 9:00 p.m. on Sunday.
6. Temporary Cannabis Events shall be no more than four-calendar days in length.
7. No more than four Temporary Cannabis Event permits may be issued to one applicant in a calendar year.

Section Two. Effective Date. This Ordinance shall be in full force and effect beginning on January 1, 2025, following its passage and publication as provided by law.

Passed in regular session of the City Council on the ____ day of _____, 2024.

CITY OF INVER GROVE HEIGHTS

By:

Brenda Dietrich, Mayor

ATTEST:

Rebecca Kiernan, City Clerk