File #: Ord 25-66, **Version:** 1

Creating Chapter 420 of the Legislative Code establishing regulations for the registration of cannabis and hemp businesses, creating Chapter 420A of the Legislative Code establishing a permit requirement and process for temporary cannabis events, and amending section 310.01 to add a definition for “Cannabis Fees”.

SECTION 1

WHEREAS, Minnesota Statutes, Chapter 342 (the “Act”), created the Office of Cannabis Management (the “OCM”), established a regulatory framework for the cannabis industry in the State of Minnesota, and provided local units of government with the authority to adopt reasonable restrictions of the time, place, and manner of the operation of cannabis businesses, provided that such restrictions do not prohibit the establishment or operation of cannabis businesses; and

WHEREAS, on September 18, 2024, the Council of the City of Saint Paul (the “City”) adopted amendments to the City’s Legislative Code, Chapters 60, 63, 65, and 66, to establish a zoning framework for cannabis businesses located within the City pursuant to the authority granted to the City in section 342.13 of the Act; and

WHEREAS, section 342.22 of the Act requires that prior to making retail sales to customers or patients, a cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, medical cannabis combination business, or lower-potency hemp edible retailer, as those terms are defined in the Act (collectively, “Retailers”), must register with the city, town, or county in which the Retailers are located; and

WHEREAS, the City wishes to establish registration processes, requirements, and fees for the Retailers located within the City; and

WHEREAS, the City wishes to establish registration fees for Retailers located within the City and the Act caps the amounts that the City may charge for such registration fees; and

WHEREAS, section 342.39 of the Act allows individuals or entities with a cannabis event organizer license, which is issued by the OCM, to organize a temporary cannabis event lasting no more than four (4) days, and as a condition of receiving a cannabis event organizer license from the OCM, the organizer must provide the OCM with proof that they have received local approval for their temporary cannabis event; and

WHEREAS, the City wishes to establish a temporary cannabis event permit to serve as “local approval” under the Act, and a process, requirements, and fees related to the permit; and

WHEREAS, the City wishes to establish a fee for a temporary cannabis event permit; and now, therefore, be it

RESOLVED, the City of Saint Paul does hereby ordain:

SECTION 2

Title XXIX of the Saint Paul Legislative Code is hereby amended to include Chapter 420, which shall read as follows:

Chapter 420. Cannabis Retailer Registration.

Sec. 420.01. Definitions. Unless otherwise noted in this section, the words and phrases contained in this Chapter have the meanings ascribed to them in Minnesota Statutes, Chapter 342.

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

Applicant means a Retailer with a License issued by the OCM that is applying for an initial Registration or for renewal of Registration from the City.

Cannabis Business has the meaning provided in section 342.01 of the Act.

City means the City of Saint Paul, Minnesota.

Department means the City's Department of Safety and Inspections.

Director means the Director of the Department.

License means the document issued by the OCM and identified in section 342.01, subdivision 48, of the Act.

OCM means the State of Minnesota's Office of Cannabis Management.

Registration means a valid, active enrollment issued to a Retailer by the City pursuant to the Act and this Chapter.

Retailer means a Cannabis Business located or to be located in the City that is licensed under the Act and required to register with the City under section 342.22 of the Act, including:

(a) microbusinesses with retail operations endorsements,
(b) mezzobusinesses with retail operations endorsements,
(c) cannabis retailers,
(d) medical cannabis combination businesses operating retail locations, and
(e) lower-potency hemp edible retailers.

Retailer does not mean lower-potency hemp edible retailer with a delivery endorsement if the lower-potency hemp edible retailer does not operate a retail location in the City.

Sec. 420.02. License and Registration Required.

(a) An individual or entity that operates a Retailer within the City must apply for and possess the relevant License or endorsement from the OCM and a Registration from the City issued under this Chapter.
(b) A Retailer must not make retail sales of cannabis products to a customer or patient without a valid Registration issued by the City.

Sec. 420.03. Retailer Registration; Application.

(a) *No Registration Limits.* There is no limit on the total number of Registrations issued to Retailers by the City.
(b) *Application*. To register as a Retailer, the Applicant must submit an application or renewal form provided by the City for each location within the City. The form may be amended from time to time by the Director, but must include or be accompanied by:
    (i) The full name, address, business type, and telephone number(s) of the Applicant and all owners and operators of the Retailer;
    (ii) The full name, address, and telephone number(s) of a designated on-site manager or

agent of the Retailer;

(iii) The address, including parcel identification number(s), of the premises where the Retailer is located or is to be located. If the Applicant does not own the premises, the Applicant must include a copy of the lease or purchase agreement to own or occupy and conduct business at the premises;

(iv) A floor plan of the premises;

(v) A copy of a valid License issued by the OCM;

(vi) An attestation that the property where the Retailer is located is current on all property taxes and assessments, unless the Applicant does not own the property and the lease provided under clause (iii) hereof specifies that the property taxes and assessments are the responsibility of the property owner;

(vii) An agreement to provide hazardous waste collection onsite as required by section 420.07 hereof; and

(viii) Any additional information deemed necessary by the Director.

(c) *Registration Fee Required*. At the times specified below, a Retailer must pay the following nonrefundable fees as established in the St. Paul Legislative Code, section 310.01:

(i) At the time of initial Registration, an initial Registration fee. The initial Registration fee serves as payment for the first annual renewal fee.

(ii) At the time of the first annual renewal of Registration (prior to the second year of operation), no fee is due.

(iii) At the time of the second annual renewal of Registration, and each year thereafter, the renewal fee must be paid prior to the City issuing any renewal of Registration.

(d) *City Certification.* The Department will confirm that the License and any endorsements issued by the OCM are consistent with the City's certification of compliance with local zoning ordinances and any state fire or building code requirements, as stated in section 342.13(f) of the Act.

(e) *Reasons for Denial*. The City must not issue or renew a Registration if any of the following apply:

(i) The Applicant has not submitted a complete application under section 420.03(b) hereof;

(ii) The Applicant has not paid the fee(s) under section 420.03(c) hereof;

(iii) The Applicant does not comply with the requirements of this Chapter or the Act;

(iv) The Applicant does not comply with applicable zoning and land use regulations under the City Code;

(v) The Applicant does not comply with applicable fire and building codes; or

(vi) The Applicant does not have a valid License issued by the OCM with necessary endorsements compliant with the City Certification identified in section 420.03(d) hereof.

(f) *Preliminary Compliance Check.* Prior to issuing a Registration, the Department may conduct a preliminary compliance check of the Retailer's intended premises to ensure its compliance with this Chapter and the Act. If the Department chooses to conduct a preliminary compliance check, the Retailer must allow the Department access to the intended premises in a reasonable time and manner.

(g) *Issuing or Renewing Registration.* Subject to the requirements of the Act, the Department must issue or renew the Registration if the Retailer meets the requirements of this Chapter, including that none of the reasons for denial specified in section 420.03(e) hereof apply.

(i) If one or more of the reasons in section 420.03(e) hereof are present, the Department must give the Applicant notice of the intent to deny the Registration in writing and the reason(s) thereof.

(ii) The Applicant must remedy such reason(s) for the intended denial within 30 days from the date of the notice.

(iii) If not remedied within such time, the Registration must be denied.

(iv) The Department must inform the OCM of all Registration denials.

(h) *Retailer Location Change*. If a Retailer moves to a new location in the City from another location in the City or a Retailer moves to a new location in the City from outside the City, the Retailer must submit a new Registration.

(i) *Nontransferable.* A Registration is not transferable to another person or entity.

(j) *Denial*. If an application for Registration or renewal of Registration is denied, the Applicant may request that the Department review the denial. The Department will review the denial with the City Attorney's Office.

Section 420.04. Registration Enforcement.

(a) *Generally.* The Department is responsible for the administration and enforcement of this Chapter. In addition to penalties listed in this section, a Retailer who violates the provisions of this Chapter is subject to any applicable criminal penalty or other penalties in the City Code.

(b) *Suspension of Registration.* If the Department determines that a Retailer violated this Chapter or that the Retailer's operations pose an immediate threat to the health, welfare, or safety of the public, then the Department may suspend the Registration.

(i) The Department must immediately inform the OCM if a Retailer's Registration is suspended, including the grounds for suspension for the OCM to review the alleged violation and take any action necessary under the Act.

(ii) The Registration must be suspended for no more than 30 days unless the OCM suspends the Retailer's License or operating privileges for a longer period or revokes the Retailer's License.

(c) *Reinstatement.* Either the Department or the OCM may make the determination that any violation has been cured and reinstate the Registration. If the OCM orders the reinstatement of a Registration, the Department must comply.

(d) *Civil Penalties for Sales Without Registration.* Subject to section 342.22, subdivision 5(e), of the Act, the City may impose a civil penalty of up to $2,000.00 for each violation of making a sale without a valid Registration from the City and a valid License from the OCM.

(e) *Registrations Issued under the Act*. Those Retailers issued Registrations by the Department under the Act prior to the effective date of this Chapter must comply with the requirements of this Chapter beginning on its effective date.

Section 420.05. Compliance Checks.

(a) Pursuant to section 342.22, subdivision 4(b), of the Act, the Department will complete at least one (1) unannounced age verification compliance check per calendar year at each location of all Retailers in the City. Youth participating in age verification compliance checks under the supervision of the Department must not be charged with a civil penalty or a crime for their participation in said compliance checks.

(b) In addition, the Department will conduct checks of a Retailer's compliance with this Chapter and the City Code, including, but not limited to, section 65.511.

(c) Any failures under this section are a basis for enforcement action, such as fines and suspension of a Registration and License by the City and the OCM, pursuant to this Chapter and the Act, and failures under this section must be reported to the OCM.

Section 420.06. Hours of Operation.

(a) Retailers are prohibited from making sales of cannabis, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products before 8:00 a.m. or after 10:00 p.m. on Mondays through Saturdays or before 11:00 a.m. or after 6:00 p.m. on Sundays.

(b) If the Retailer holds a City business license to sell intoxicating liquor, as defined in section 409.02 of the City Code, the hours of operation for the Retailer may coincide with the hours of operation for the other business licenses issued to the same location.

Section 420.07. Hazardous Waste Collection.

If a Retailer sells electronic delivery devices, as defined in Minnesota Statutes section 609.685, subdivision 1 (c), the Retailer must provide a free-of-charge hazardous waste collection receptacle for used electronic delivery devices. The Retailer must dispose of all hazardous waste in accordance with all relevant City, state, and federal laws.

Section 420.08. Severability.

If any section, clause, provision, or portion of this Chapter is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of this Chapter will not be affected thereby.

SECTION 3

Title XXIX of the Saint Paul Legislative Code is hereby amended to include Chapter 420A, which will read as follows:

Chapter 420A. Temporary Cannabis Events.

Sec. 420A.01. Definitions. Unless otherwise noted in this section, the words and phrases contained in this Chapter have the meanings ascribed to them in Minnesota Statutes, Chapter 342.

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

City means the City of Saint Paul, Minnesota.

Department means the City's Department of Safety and Inspections.

Event Organizer means any person, partnership, firm, corporation, association, or other entity organizing a Temporary Cannabis Event and applying for a Permit.

License means an Event Organizer's License for a Temporary Cannabis Event issued by the OCM.

OCM means the State of Minnesota's Office of Cannabis Management.

Permit means the Temporary Cannabis Event Permit issued by the City to the Event Organizer, signifying proof of local approval pursuant to section 342.39, subdivision 2(a)(7), of the Act.

Smoking has the meaning given in Minnesota Statutes, section 144.413, subdivision 4.

Temporary Cannabis Event means an occurrence lasting no more than four (4) days at which cannabis products, cannabis flower, lower-potency help edibles, and hemp-derived consumer products will be sold and for which the Event Organizer has a License issued by the OCM.

Sec. 420A.02. Permit required.

(a) No Event Organizer may hold a Temporary Cannabis Event within the City without a License from the OCM and a Permit from the City.

(b) No more than three (3) four-day, four (4) three-day, six (6) two-day, or twelve (12) one-day permits, in any combination not to exceed twelve (12) days per year, may be issued to any one Event Organizer or location.

(c) Permits may be approved with or without on-site consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

Sec. 420A.03. Application. An Event Organizer must submit an application on a form provided by the

Department. The application must include, but is not limited to:

(a) The location, date, hours of operation, and name of the proposed Temporary Cannabis Event;

(b) Full name, address, email address, and telephone number of the property owner for the property where the Temporary Cannabis Event is to be held and of the Event Organizer;

(c) Written permission of the property owner to host the Temporary Cannabis Event;

(d) A diagram of the physical layout of the Temporary Cannabis Event showing where the event will take place, including all entrances and exits that will be used by participants during the event, all cannabis consumption areas (if applicable), all cannabis retail areas where cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products will be sold, the location where cannabis waste will be stored, and any location where cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products will be stored;

(e) Full description of the Temporary Cannabis Event's security measures as required by the Act and the rules promulgated thereunder, including Minnesota Administrative Rules part 9810.1500;

(f) Attestation that only Minnesota licensed cannabis businesses will be allowed to sell cannabinoid products at the event;

(g) Attestation that the Temporary Cannabis Event will comply the Act and the rules promulgated thereunder;

(h) Indication of whether on-site consumption is requested; and

(i) A permit fee pursuant to section 420A.04.

Sec. 420A.04. Fees. The City must charge a permit fee for Temporary Cannabis Events as established in section 310.01 of the Saint Paul Legislative Code. These fees are non-refundable.

Sec. 420A.05. Application Procedures; Denial, revocation, or suspension.

(a) For any Permit application or Permit issued under this Chapter, the uniform license procedures laid out in section 310.02(3) of the Saint Paul Legislative Code pertaining to applications, new application investigation and review, notice, levels of approval, objections, and renewal procedures apply to the Permit as if it were a Class T License.

(b) *Grounds for denial, revocation, or suspension.* The Department may deny, revoke, or suspend a Permit if:

(i) The Event Organizer is not complying with or has a history of violations of the laws and ordinances that apply to public health, safety, and morals;

(ii) The Event Organizer is convicted of any violation, reasonably related to the Permit activity, of any City ordinance or federal or state statute;

(iii) There is fraud or deception involved in the Permit application;

(iv) The Permit does not comply with the health, housing, fire, zoning, or building regulations of the City or the State of Minnesota;

(v) The holding of the Temporary Cannabis Event would be detrimental to the health, welfare, or safety of the City;

(vi) The Event Organizer fails to provide all the information required by this Chapter; or

(vii) The Permit is found to be in violation of provisions of this Chapter.

Sec. 420A.06. Regulations Generally.

(a) Event Organizers for Temporary Cannabis Events must present their License to the City at least twenty-four (24) hours prior to the Temporary Cannabis Event start time or the Permit must be revoked.

(b) Temporary Cannabis Events must follow all requirements of the Act and the rules promulgated thereunder.

(c) No person under the age of twenty-one (21) may attend a Temporary Cannabis Event. The Event Organizer must ensure that access to the Temporary Cannabis Event is limited to individuals who are at least twenty-one (21) years of age. At or near each public entrance to any area where the sale or consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products is allowed, the Event Organizer must maintain a clearly visible and legible sign consisting of the following statement: "No persons under 21 allowed." The lettering of the sign must not be less than one inch in height.

(d) No consumption and/or sale of alcohol or tobacco is allowed at Temporary Cannabis Events.

(e) Temporary Cannabis Events must be held only between the hours of 8:00 a.m. and 12:00 a.m.

(f) The Event Organizer must not permit the smoking of adult-use cannabis flower or cannabis products at any location where smoking is prohibited under the Minnesota Clean Indoor Air Act, Minnesota Statutes sections 144.411 to 144.417, or Saint Paul Legislative Code, Chapter 222.

(g) For Temporary Cannabis Events with on-site consumption, the Event Organizer must:

(i) Receive approval for on-site consumption as part of an issued Permit;

(ii) Designate an area for consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or any combination of those items;

(iii) Restrict access to areas allowing consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to individuals who are at least twenty-one (21) years of age; and

(iv) Ensure consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products within a designated consumption area is not visible from any public place, as the term is defined in the Saint Paul Legislative Code section 222.01(4).

(h) All Temporary Cannabis Events and Event Organizers in the City must provide free-of-charge hazardous waste collection receptacles for used electronic delivery devices, as defined in Minnesota Statutes section 609.685, subdivision 1(c), at the Temporary Cannabis Event site. The Event Organizer must dispose of all hazardous waste in accordance with all relevant city, state, and federal laws.

Sec. 420A.07. Enforcement. Any person who violates any provision of this Chapter or who violates any condition or requirement of a Permit is guilty of a misdemeanor.

Sec. 420A.08. Severability. If any section, provision, or portion of this Chapter is deemed unconstitutional or invalid by a court of competent jurisdiction, the remainder of this Chapter is not affected.

SECTION 4

The following definition for “cannabis fees” is hereby added to section 310.01 of the Saint Paul Legislative Code:

Cannabis Fees mean the fees contained in the attached Cannabis Fees table. These are not license fees and not subject to adverse action as defined in this Chapter. The terms in this table have the meanings provided in Minnesota Statutes, Chapter 342. **(Please refer to Exhibit #1)**

SECTION 5

This ordinance will take effect and be in force thirty (30) days following its passage, approval, and publication.