

..Title

An ordinance establishing regulations for the registration of cannabis and hemp businesses

..Body

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 City 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, “Cannabis Retailers”), must register with the city, town, or county in which the retail establishment is located; and

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

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. License and Registration Required.

No individual or entity may operate a cannabis retail business within the city of Saint Paul without a cannabis retailer license or cannabis retail endorsement from the State of Minnesota’s Office of Cannabis Management and a registration from the City of Saint Paul.

Sec. 420.02. 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 is 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 Registration renewal 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.

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 mezzobusinesses with retail operations endorsements, microbusinesses with retail operations endorsements, medical combination businesses operating retail locations, and 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. 420.03. Retailer Registration.

- (a) Registration Required. Before making retail sales to customers or patients, a Retailer must register with the City. It is prohibited for a Retailer to make retail sales to customers or patients in the City without a Registration.
- (b) No Registration Limits. There is no limit on the total number of Registrations issued to Retailers by the City.
- (c) Application. To register, the Applicant must submit an application or renewal form provided by 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 the certification received by the City pursuant to Section 342.13 of the Act;
 - (vi) A copy of a valid license or preliminary license approval issued by the OCM;
 - (vii) 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;

- (viii) An agreement to provide hazardous waste collection onsite as required by Section 420.07 hereof; and
- (ix) Any additional information deemed necessary by the Director.
- (d) Registration Fee Required. At the times specified below, a Retailer must pay the following nonrefundable fees as established in the City Legislative Code, Section 310.01:
 - (i) At the time of initial Registration, an initial Registration fee. The initial Registration fee will also serve as payment for the first annual renewal fee.
 - (ii) At the time of the first annual Registration renewal (prior to the second year of operation), no fee will be due.
 - (iii) At the time of the second annual Registration renewal, and each year thereafter, the renewal fee must be paid prior to the City issuing any renewal Registration.
- (e) Reasons for Denial. The City will not issue or renew a Registration if any of the following conditions are true:
 - (i) The Applicant has not submitted a complete application under clause (c) hereof.
 - (ii) The Applicant has not paid the fees under clause (d) hereof.
 - (iii) The Applicant does not comply with the requirements of this chapter.
 - (iv) The Applicant does not comply with applicable zoning and land use regulations under City Code.
 - (v) The Applicant does not have a valid license or preliminary license approval from the OCM.
- (f) Preliminary Compliance Check. Prior to issuing a Registration, the Department may conduct a preliminary compliance check.
- (g) Issuing or Renewing Registration. the Department will issue or renew the Registration or renewal if the Retailer meets the requirements of this chapter, including that none of the conditions in Section 420.03(e) are true. If one or more of the of the conditions in Section 420.03(e) are true, the Department must notify the Applicant of this in writing. The Applicant will have 30 days from the date of the notice to remedy the condition(s). If not remedied within such time, the issuance or renewal of the Registration may be denied. The Department must inform the OCM of all Registration denials.
- (i) Retailer Location Change. If a Retailer moves to a new location in the City, the Retailer is required to submit a new application and obtain a new Registration.
- (j) Nontransferable. A Registration is not transferable to another person or entity.

Section 420.04. Registration Enforcement.

- (a) Generally. The Department is responsible for the administration and enforcement of this ordinance. In addition to penalties listed in this subdivision, a person or business who violates the provisions of this chapter is subject to any applicable criminal penalty.
- (b) Suspension of Registration. If the Department determines that a Retailer has violated this ordinance or that the Retailer's operations pose an immediate threat to the health or safety of the public, then the Department may suspend the Registration.
 - (i) The Department will immediately inform the OCM of a Registration suspension, including the grounds for suspension, and the OCM will review the alleged violation and take any action that is necessary under the Act.
 - (ii) The Registration suspension must be 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 City 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 City must comply.
 - (d) Civil Penalties for Sales Without Registration. Subject to Section 342.22, subd. 5(e) of the Act, the City may impose a civil penalty of up to \$2,000, for each violation of making a sale to a customer or patient without a Registration and a valid license from the OCM.

Section 420.05. Compliance Checks.

- (a) Pursuant to Section 342.22, subd. 4(b) of the Act, the Department will complete at least one unannounced age verification compliance check per calendar year at each registered Retailer in the City. Youth participating in age verification compliance checks under the supervision of the Department must not be charged with civil penalty or a crime for their participation in said compliance checks.
- (b) In addition, the Department will conduct checks of registered Retailers' compliance with this chapter and City Code, including, specifically, Section 65.511.
- (c) Any failures under this section are a basis for enforcement action under this chapter and the Act and must be reported to the OCM.

Section 420.06. Hours of Operation.

- (a) Retailers are prohibited from making retail 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 10:00 a.m. or after 9:00 p.m. on Sundays.
- (b) If the Retailer holds a City business license to sell intoxicating liquor, as defined in Sec. 409.02, hours of operation for the cannabis retail business may coincide with the hours of operation for the other business licenses.

Section 420.07. Hazardous Waste Collection.

If the Retailer sells electronic delivery devices, as the term is defined in Minnesota Statutes, Section 609.685, Subd. 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

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