ORDINANCE NO 2025-01
CITY OF MENAHGA
COUNTY OF WADENA
STATE OF MINNESOTA

AN ORDINANCE AMENDING THE CITY CODE OF THE CITY OF MENAHGA TO ADD CHAPTER 152: CANNABIS AND HEMP BUSINESSES

The City Council of the City of Menahga, Wadena County, State of Minnesota does hereby ordain:

SECTION 1. Menahga City Code, Title XV: Land Usage, is hereby amended to add a new Chapter 152: Cannabis and Hemp Businesses, to read as follows:

§ 152.01 FINDINGS AND PURPOSE.

The City Council for the City of Menahga makes the following legislative findings:

(A) The purpose of this ordinance is to implement the provisions of Minnesota Statutes, chapter 342, which authorizes the City of Menahga to protect the public health, safety, welfare of the City of Menahga residents by regulating cannabis businesses within the legal boundaries of City of Menahga.

(B) The City Council for the City of Menahga finds and concludes that the proposed provisions are appropriate and lawful land use regulations for City of Menahga, that the proposed amendments will promote the community's interest in reasonable stability in zoning for now and in the future, and that the proposed provisions are in the public interest and for the public good.

§ 152.02 AUTHORITY & JURISDICTION.

The City Council for the City of Menahga has the authority to adopt this ordinance pursuant to:

(A) M.S. § 342.13(c), regarding the authority of a local unit of government to adopt reasonable restrictions of the time, place, and manner of the operation of a cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses.

(B) M.S. § 342.22, regarding the local registration and enforcement requirements of state-licensed cannabis retail businesses and lower-potency hemp edible retail businesses.

(C) M.S. § 152.0263, Subd. 5, regarding the use of cannabis in public places.

(D) M.S. § 462.357, regarding the authority of a local authority to adopt zoning ordinances.

§ 152.03 STATE LAW ADOPTED.

Except as further restricted or regulated by this chapter, the provisions of M.S. Chapter 342, relating to cannabis and hemp regulation and the corresponding state rules with respect to the same are hereby adopted and made a part of this chapter as if set out herein in full. In accordance with M.S. §§ 342.13 and 342.22, the city may impose further restrictions and regulations within

city limits. Whenever there is an inconsistency between the provisions of M.S. Chapter 342, as amended, and the provisions of this chapter, the more restrictive provision shall govern, unless preempted by state law.

§ 152.04 SEVERABILITY.

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

§ 152.05 ENFORCEMENT.

The Zoning Administrator is responsible for the administration and enforcement of this ordinance. Any violation of the provisions of this ordinance or failure to comply with any of its requirements constitutes a misdemeanor and is punishable as defined by law, unless otherwise stated herein. Violations of this ordinance can occur regardless of whether or not a permit is required for a regulated activity listed in this ordinance.

§ 152.06 DEFINITIONS.

Unless otherwise noted in this section, words and phrases contained in M.S. § 342.01 and the rules promulgated pursuant to any of these acts, shall have the same meanings in this ordinance.

CANNABIS BUSINESS. A cannabis business licensed by the Office of Cannabis Management pursuant to M.S. Chapter 342, including the following:

(1) cannabis microbusiness;

(2) cannabis mezzobusiness;

(3) cannabis cultivator;

(4) cannabis manufacturer;

(5) cannabis retailer;

(6) cannabis wholesaler;

(7) cannabis transporter;

(8) cannabis testing facility;

(9) cannabis event organizer;

(10) cannabis delivery service; and

(11) medical cannabis combination business.

CANNABIS CULTIVATION. A cannabis business licensed to grow cannabis plants within the approved amount of space from seed or immature plant to mature plant, harvest cannabis flower from mature plant, package and label immature plants and seedlings and cannabis

flower for sale to other cannabis businesses, transport cannabis flower to a cannabis manufacturer located on the same premises, and perform other actions approved by the office.

CANNABIS MANUFACTURER. A cannabis business licensed or endorsed by the Office of Cannabis Management where raw, dried hemp, cannabis, and parts of the same are manufactured into other types of cannabis products or concentrates for sale to other cannabis and hemp businesses.

CANNABIS RETAIL BUSINESSES. A retail location and the retail location(s) of a mezzobusinesses with a retail operations endorsement, microbusinesses with a retail operations endorsement, medical combination businesses operating a retail location, excluding lower-potency hemp edible retailers.

CANNABIS RETAILER. Any person, partnership, firm, corporation, or association, foreign or domestic, licensed to sell cannabis product to a consumer and not for the purpose of resale in any form.

CANNABIS TRANSPORTATION. A fleet-based cannabis business with a license or endorsement from the Office of Cannabis Management for transportation of cannabis or hemp products from one licensed business to another.

CANNABIS WHOLESALE. A cannabis business with a license from the Office of Cannabis Management to purchase cannabis plants, flower, cannabis products and lower-potency hemp edible products from a business growing or manufacturing cannabis and hemp products and to sell to a cannabis business engaged in retail or lower-potency hemp edible retailer.

DAYCARE. A location licensed with the Minnesota Department of Human Services to provide the care of a child in a residence outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

LOWER-POTENCY HEMP EDIBLE. As defined under M.S. 342.01 subd. 50.

LOWER-POTENCY HEMP EDIBLE RETAILER. A hemp business licensed to sell lower-potency hemp edibles to consumers and which may also be referred to as a “hemp retail business” in this chapter.

LOWER-POTENCY HEMP EDIBLE WHOLESALE*.* A hemp business with a license from the Office of Cannabis Management to purchase from a business growing or manufacturing lower-potency hemp edibles or other products as permitted by state law and sell to a lower-potency hemp edible retailer or cannabis business engaged in retail.

OFFICE OF CANNABIS MANAGEMENT. Minnesota Office of Cannabis Management, referred to as “OCM” in this ordinance.

PLACE OF PUBLIC ACCOMMODATION. A business, accommodation, refreshment, entertainment, recreation, or transportation facility of any kind, whether licensed or not, whose goods, services, facilities, privileges, advantages or accommodations are extended, offered, sold, or otherwise made available to the public.

PRELIMINARY LICENSE APPROVAL. The preliminary license approval issued by OCM to

a cannabis business license applicant who qualifies under M.S. §§ 342.14 or 342.17, as evidenced by a document or other written communication from the OCM to the applicant.

PUBLIC PLACE. A public park or trail, public street or sidewalk; any enclosed, indoor area used by the general public, including, but not limited to, restaurants; bars; any other food or liquor establishment; hospitals; nursing homes; auditoriums; arenas; gyms; meeting rooms; common areas of rental apartment buildings, and other places of public accommodation.

RESIDENTIAL TREATMENT FACILITY. As defined under M.S. 245.462 subd. 23.

RETAIL REGISTRATION. An approved registration issued by the City of Menahga to a state- licensed cannabis or hemp retail business.

SCHOOL. A public school as defined under M.S. 120A.05 or a nonpublic school that must meet the reporting requirements under M.S. 120A.24.

STATE LICENSE. An approved license issued by the State of Minnesota's Office of Cannabis Management to a cannabis retail business.

TEMPORARY CANNABIS EVENT. A cannabis event lasting no more than four days, organized by a holder of a cannabis event organizer license issued by the Office of Cannabis Management and subject to the requirements of M.S. § 342.40.

Registration of Cannabis and Hemp Retail Businesses

§ 152.10 CONSENT TO REGISTERING OF CANNABIS AND HEMP RETAIL BUSINESSES.

(A) No individual or entity may operate a state-licensed cannabis or hemp retail business within the City of Menahga without first registering with the city.

(B) Any state-licensed cannabis or hemp retail business that sells to a customer or patient without valid retail registration shall incur a civil penalty of $500 for each violation.

§ 152.11 COMPLIANCE CHECKS PRIOR TO RETAIL REGISTRATION.

(A) Prior to issuance of a cannabis retail business registration to a business with a state license, the Zoning Administrator shall conduct a preliminary compliance check to ensure compliance with local ordinances.

(B) If the city council approves a retail registration application submitted by an applicant with a preliminary license approval and prior to the issuance of a license by the OCM to the applicant, the city shall conduct a preliminary inspection to ensure compliance with the requirements of this chapter and all city ordinances after the applicant has submitted a copy of a valid state license to the city clerk pursuant to § 152.13(F). The applicant shall not make sales within the city prior to the completion of the preliminary inspection.

(C) Pursuant to M.S. 342, within 30 days of receiving a copy of a state license application from OCM, the City of Menahga shall certify on a form provided by OCM whether a proposed cannabis retail business complies with local zoning ordinances and, if applicable, whether the

proposed business complies with the state fire code and building code.

§ 152.12 FEES.

(A) A registration fee, as established in the City of Menahga's Fee Schedule Ordinance, shall be charged to applicants depending on the type of retail business license applied for.

(B) An initial retail registration fee shall not exceed $500 or half the amount of an initial state license fee under M.S. 342.11, whichever is less. The initial registration fee shall include the initial retail registration fee and the first annual renewal fee.

(C) Any renewal retail registration fee imposed by City of Menahga shall be charged at the time of the second renewal and each subsequent renewal thereafter.

(D) A renewal retail registration fee shall not exceed $1,000 or half the amount of a renewal state license fee under M.S. 342.11, whichever is less.

(E) A medical combination business operating an adult-use retail location may only be charged a single registration fee, not to exceed the lesser of a single retail registration fee, defined under this section, of the adult-use retail business.

§ 152.13 APPLICATION.

(A) The City of Menahga shall issue a retail registration to a state-licensed cannabis or hemp retail business that adheres to the requirements of M.S. 342.22.

(B) An applicant for a retail registration shall fill out an application form, as provided by the City of Menahga. Said form shall include, but is not limited to:

(1) Full name of the property owner and applicant;

(2) Address, email address, and telephone number of the applicant;

(3) The address and parcel ID for the property which the retail registration is sought;

(4) Certification that the applicant complies with the requirements of local ordinances established pursuant to M.S. § 342.13.

(5) Verification of land use compliance by the Zoning Administrator.

(C) The applicant shall include with the form:

(1) the application fee as required in § 152.12;

(2) a copy of a valid state license or written notice of OCM license preapproval;

(D) Once an application is considered complete, the Zoning Administrator shall inform the applicant as such, process the application fees, and forward the application to the City Council for approval or denial

(E) The fee shall be non-refundable once processed.

(F) If the City Council approves a retail registration application submitted with a preliminary license approval and prior to the issuance of a license by the OCM to the applicant, the applicant shall be required to submit a copy of a valid state license issued by the OCM to the city clerk and allow a preliminary inspection to be conducted prior to making any sales within the city.

§ 152.14 APPLICATION APPROVAL.

(A) A state-licensed cannabis or hemp retail business application shall not be approved or renewed if the applicant is unable to meet the requirements of this ordinance.

(B) A state-licensed cannabis or hemp retail business application that meets the requirements of this ordinance shall be approved.

§ 152.15 ANNUAL COMPLIANCE CHECKS.

(A) The City of Menahga shall complete at minimum one compliance check per calendar year of every cannabis business to assess if the business meets and follows the requirements required under M.S. 342.22 Subd. 4(b) and M.S. 342.24.

(B) The City of Menahga shall conduct at minimum one unannounced age verification compliance check at least once per calendar year.

(C) 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 local unit of government.

(D) Any failures under this section must be reported to the Office of Cannabis Management.

§ 152.16 LOCATION CHANGE.

A state-licensed cannabis retail business shall be required to submit a new application for registration under § 152.13 if it seeks to move to a new location still within the legal boundaries of City of Menahga.

§ 152.17 RENEWAL OF REGISTRATION.

(A) The City of Menahga shall renew an annual registration of a state-licensed cannabis retail business at the same time OCM renews the cannabis retail business' license.

(B) A state-licensed cannabis retail business shall apply to renew registration on a form established by City of Menahga.

(C) A cannabis retail registration issued under this ordinance shall not be transferred.

§ 152.18 RENEWAL APPLICATION.

The application for renewal of a retail registration shall include, but is not limited to:

(A) Items required under § 152.13 of this Ordinance.

(B) Other items required by the City Clerk/Treasurer/Administrator to ascertain the registration is in compliance with the City Code.

(C) The renewal fee as required under § 152.12(D).

§ 152.19 SUSPENSION OF REGISTRATION.

(A) *When Suspension is Warranted.* The City of Menahga may suspend a cannabis retail business's registration if it violates the ordinance of City of Menahga or poses an immediate threat to the health or safety of the public. The City of Menahga shall immediately notify the cannabis retail business in writing the grounds for the suspension.

(B) *Notification to OCM.* The City of Menahga shall immediately notify the OCM in writing the grounds for the suspension. OCM will provide City of Menahga and cannabis business retailer a response to the complaint within seven (7) calendar days and perform any necessary inspections within 30 calendar days.

(C) *Length of Suspension.* The suspension of a cannabis retail business registration may be for up to 30 calendar days, unless OCM suspends the license for a longer period. The business may not make sales during this period to customers if their registration is suspended. The City of Menahga shall reinstate a registration if OCM determines that the violation(s) have been resolved.

(D) *Civil Penalties.* Subject to M.S. § 342.22, subd. 5(e), the City of Menahga may impose a civil penalty, as specified in the City of Menahga's Fee Schedule, for registration violations, not to exceed $2,000.

§ 152.20 LIMITING OF REGISTRATIONS.

The City of Menahga shall limit the number of cannabis retail businesses to no fewer than one registration for every 12,500 residents within city limits of the City of Menahga, excluding medical cannabis combination businesses, and shall issue no more than one (1) cannabis retail registration. The city shall include in its count of active retail registrations any cannabis retail business operating under a Tribal compact or a Tribally issued license or registration. If there is one active cannabis retail business registration for every 12,500 residents in the applicable county, the city shall not be required to register additional state-licensed cannabis retail businesses. The city shall process cannabis retail registration applications in the order in which the completed applications are received. An application for city registration pursuant to this chapter shall not be received or processed by the city until an applicant has been issued the applicable license by the state or written notice of preliminary license preapproval by the OCM pursuant to applicable state law. Any application received by the city prior to an applicant's issuance of valid state licensure or written notice of preliminary license preapproval by the OCM shall be returned to the applicant unprocessed along with the applicant's registration fee.

Requirements for Cannabis Businesses

§ 152.30 MINIMUM BUFFER REQUIREMENTS.

(A) All uses are by Permitted Use Permit, not to exceed State maximum standards for setbacks to schools, day cares, residential treatment facilities, public parks including playgrounds and athletic fields and other Cannabis Businesses.

(B) The city shall prohibit the operation of any cannabis business within:

(1) 1000 feet of a school;

(2) 500 feet of a day care;

(3) 500 feet of a residential treatment facility; or

(4) 500 feet of an attraction within a public park that is regularly used by minors and includes a playground or athletic field.

(C) Pursuant to M.S. § 462.367 subd. 14, nothing in this chapter shall prohibit an active cannabis business or a cannabis business seeking registration from continuing operation at the same site if a school/daycare/residential treatment facility/attraction within a public park that is regularly used by minors moves within the minimum buffer zone.

§ 152.31 ZONING AND LAND USE.

(A) *Cultivation.*

Cannabis businesses licensed or endorsed for cultivation are by a Conditional Use in the following zoning districts:

- Highway Commercial *C-2* (Indoor)
- Industrial *I* (Indoor and Outdoor)

(B) *Cannabis Manufacturer.*

Cannabis businesses licensed or endorsed for cannabis manufacturer are by a Conditional Use in the following zoning districts:

- Highway Commercial *C-2*
- Industrial *I*

(C) *Hemp Manufacturer.*

Businesses licensed or endorsed for low-potency hemp edible manufacturers are by a Conditional Use in the following zoning districts:

- Highway Commercial *C-2*
- Industrial *I*

(D) *Wholesale.*

Cannabis businesses licensed or endorsed for wholesale are by a Conditional Use in the following zoning districts:

- Highway Commercial *C-2*
- Industrial *I*

(E) *Cannabis Retail.*

Cannabis businesses licensed or endorsed for cannabis retail are by a Conditional Use in the following zoning districts:

- Highway Commercial *C-2*
- Industrial *I*

(F) *Cannabis Transportation.*

Cannabis businesses licensed or endorsed for transportation are by a Conditional Use as in the following zoning districts:

- Highway Commercial *C-2*
- Industrial *I*

(G) *Cannabis Delivery.*

Cannabis businesses licensed or endorsed for delivery are by a Conditional Use in the following zoning districts:

- Highway Commercial *C-2*
- Industrial *I*

(H) *All Other Cannabis Businesses Licensed by the State Not Listed Above.*

All other Cannabis businesses licensed by the state are by a Conditional Use in the following Zoning Districts:

- Highway Commercial *C-2*
- Industrial *I*

§ 152.32 HOURS OF OPERATION.

Cannabis retail businesses are limited to retail sale of cannabis, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products between the hours of 8:00 AM and 10:00 PM, Monday through Saturday and 10:00 AM until 9:00 PM on Sundays. The hours of operation in this section shall not apply to businesses registered by the city as lower-potency hemp edible retailers.

§ 152.33 ADVERTISING.

As allowed under § 151.37 of the city code for the underlying zoning district. Sign permits are required for all signs erected.

Lower-Potency Hemp Edible Retailers

§ 152.40 REGISTRATION REQUIRED.

The sale of lower-potency hemp edibles is permitted, subject to compliance with the retail registration requirements in this chapter and the specific terms for a retail registration for a lower-potency hemp edible retailer.

§ 152.41 APPLICATION.

The procedures for and content of an application for a retail registration for a lower-potency hemp edible retailer under this chapter shall be as provided in § 152.13.

§ 152.42 FEES.

Registration fees for a retail registration for a lower-potency hemp edible retailer shall be as provided in § 152.12.

§ 152.43 RENEWAL APPLICATION.

The procedures for and content of a renewal application for a retail registration for a lower-potency hemp edible retailer under this chapter shall be as provided in §§ 152.17 and 152.18 of this chapter.

§ 152.44 BASIS FOR DENIAL.

The registration application for a lower-potency hemp edible retailer shall be denied if such application does not meet the requirements of this chapter.

§ 152.45 COMPLIANCE CHECKS.

The procedure for each annual compliance check shall be as provided in § 152.15.

Temporary Cannabis Events

§ 152.50 LICENSE REQUIRED.

A license or permit is required to be issued and approved by City of Menahga prior to holding a Temporary Cannabis Event.

§ 152.51 REGISTRATION & APPLICATION PROCEDURE.

A registration fee, as established in City of Menahga's fee schedule, shall be charged to applicants for Temporary Cannabis Events.

§ 152.52 APPLICATION SUBMITTAL & REVIEW.

(A) The City of Menahga shall require an application for Temporary Cannabis Events.

(B) An applicant shall fill out an application form, as provided by the City of Menahga. Said form shall include, but is not limited to:

(1) Full name of the property owner and applicant;

(2) Address, email address, and telephone number of the applicant;

(3) Full site plan;

(4) Times of operation;

(5) Proof of Insurance at least equal to City of Menahga tort liability limits and naming the city as additional insured; and

(6) Security plan approved by the Menahga Police Department.

(C) The applicant shall include with the form:

(1) the fee as required in City Fee Schedule; and

(2) a copy of the OCM cannabis event license application, submitted pursuant to Minn. Stat. § 342.39 subd. 2.

(D) The application shall be submitted to the City Clerk/Treasurer/Administrator, or other designee for review. If the designee determines that a submitted application is incomplete, they shall return the application to the applicant with the notice of deficiencies.

(E) Once an application is considered complete, the designee shall inform the applicant as such, process the application fees, and forward the application to the Menahga City Council that will approve or deny the request for approval or denial.

(F) The fee shall be non-refundable once processed.

(G) A request for a Temporary Cannabis Event that meets the requirements of this section may be approved if the City Council makes the finding that the event is in the best interest of the citizens of the city, will not create undue hardships, stress infrastructure, safety, security, environment or convenience of the citizens.

(H) A request for a Temporary Cannabis Event that does not meet the requirements of this sections shall be denied. The City of Menahga will notify the applicant of the standards not met and the basis for denial.

(I) All events must meet all other applicable city codes for events and event approvals.

(J) The City of Menahga reserves the right to deny any application for on-site consumption at a temporary cannabis event with or without denial of the application for the Temporary Cannabis Event in its entirety.

(K) All uses of city property must be reviewed and approved by the City Council, the City Council reserves the right to reject any application if the City Council makes the finding that the request is not in the best interest of the city, it's citizens, creates a hardship, stresses infrastructure, safety, security, the environment or the convenience of the citizens, and reserves the right to set a fee for the use of city property commensurate with the costs to the city of an individual application (case by case).

Prohibited Acts

§ 152.55 USE IN PUBLIC PLACES PROHIBITED.

(A) No person shall use cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a public place or a place of public accommodation unless the premises is an establishment or an event licensed to permit on-site consumption of adult-use.

(2) Any person violating this section is guilty of a petty misdemeanor. Each violation shall constitute a separate offense.

§ 152.56 POSSESSION OR USE BY MINORS.

(A) *Prohibited Acts.* It is unlawful for any minor to:

(1) use, possess, or transport cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products within the city.

(2) purchase, attempt to purchase, obtain, use false identification to obtain or attempt to obtain cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products within the city.

(B) *Definitions.* For purposes of this ordinance, a "minor" is any person under the age of 21.

(C) *Exceptions.* This ordinance does not apply to:

(1) Any person under 21 who possesses or uses medical cannabis flower or medical cannabinoid products as a patient, as defined under M. S. § 342.01, a registered designated caregiver, or a parent, legal guardian, or spouse of a patient as permitted by state law;

(2) Law enforcement or public health personnel possessing cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in the course of lawful duties.

(D) *Penalty*.

(1) A violation of this section is a petty misdemeanor punishable by an administrative fine of $75.00.

(2) In lieu of or in addition to a monetary penalty, the court or city attorney may require participation in a chemical health education program, counseling, or community service.

SECTION 2. This ordinance shall take effect following its passage and publication.

Passed this _____ day of _____, 2025 by a called motion vote.

_____
Jody Bjornson, Mayor

Attest:

_____
Brett Gagnonpalick, City Clerk/Treasurer