



AGENDA

**City Council Work Session
Monday, October 28, 2024
Mankato Room
(following the Regular Meeting at 6 p.m.)**

1. Follow-up discussion on Vehicle Noise Ordinance
2. Review Recreation Sponsorships
3. Review proposed Cannabis Ordinances
4. Adjournment



AGENDA RECOMMENDATION

City Council Work Session

1.

Meeting Date: 10/28/2024

Agenda Item:

Follow-up discussion on Vehicle Noise Ordinance

Recommendation/Action(s):

Discussion/Direction

Summary:

On August 5, 2024, the City Council reviewed the staff study regarding vehicle noise. At the conclusion of the discussion, the Council directed staff to inquire about whether it was a requirement of the State to both pass the ordinance and then purchase signs from the State of MN to see enforcement. In addition, staff have received feedback from the State Patrol and from MnDOT that the state doesn't enforce these local ordinances.

Staff did follow up with MnDOT District Office and received an opinion letter regarding the matter; a copy is provided. In short, MnDOT believes, "The existence of a community's noise ordinance is likely unknown by many motorists, as not all communities have a noise ordinance....It is has been the experience of Minnesota State Patrol District staff that signs such as the State's R16-X13 (Vehicle Noise Laws Enforced) provide a proactive notice to motorists of unique ordinances that pertain to motor vehicles." The opinion letter goes on to indicate that Minnesota District Patrol staff would require the signs to be in place for any type of enforcement by their staff.

The letter goes on further to indicate that, "Due to a decision made by Minnesota State Patrol Command Staff in Saint Paul, local ordinances are not included in the eCitation software utilized by the Minnesota State Patrol. As a result, Minnesota State Patrol District staff are unable to write citations, nor provide written warnings, for any local ordinance violations." They do further indicate that the State Patrol staff in our area would be willing to deploy troopers to educate users with verbal warnings if there were public complaints. This partnership would be based on availability of staff and would compete with the "many priorities given to Minnesota State Patrol staff."

As discussed previously by the City Council, the Council was willing to implement the vehicle noise ordinance if signs weren't required. Our research indicates that the signs are required and even with the signs, enforcement is required by the City of Mankato Police staff alone. Based on our previous discussion, no ordinance language is planned to be brought back for consideration.

Attachments

MnDOT Letter



District 7
2151 Bassett Drive
Mankato, MN 56001

September 16, 2024

Susan MH Arntz
City Manager
City of Mankato
10 Civic Center Plaza
Mankato, MN 56001

Hello, Susan,

In response to your recent inquiry, MnDOT District 7 and Minnesota State Patrol District 2200 staff have had conversations surrounding vehicle noise enforcement. From those conversations, I've learned the following:

Minnesota Statutes 169.693 addresses Motor Vehicle Noise Limits. Minnesota State Patrol District staff feel the statute applies to muffler noise, rather than noise generated from engines or other motor vehicle sources (e.g.: stereos). With the statute being viewed as insufficient for the type of noise enforcement typically desired by a city (i.e.: compression (AKA: engine, or Jake) braking) the establishment of a noise ordinance by a city would be required.

The existence of a community's noise ordinance is likely unknown by many motorists, as not all communities have a noise ordinance. Motorists know it's a violation to run a red light in every community, but they do not know whether it's a violation to use a compression brake in a community. It has been the experience of Minnesota State Patrol District staff that signs such as the State's R16-X13 (VEHICLE NOISE LAWS ENFORCED) provide a proactive notice to motorists of unique ordinances that pertain to motor vehicles. It's these types of proactive efforts that the Courts look for to uphold challenged citations. Accordingly, Minnesota State Patrol District staff would require the signs be in place for any type of enforcement effort by their staff and believe that the signs will make prosecution of these offenses more successful for any law enforcement agency enforcing the ordinance.

Due to a decision made by Minnesota State Patrol Command Staff in Saint Paul, local ordinances are not included in the eCitation software utilized by the Minnesota State Patrol. As a result, Minnesota State Patrol District staff are unable to write citations, nor provide written warnings, for any local ordinance violations. However, as has been done previously in other communities in our area, Minnesota State Patrol District 2200

leadership would be willing to deploy troopers to educate users (i.e.: verbal warnings) if there were public complaints. These deployments would be based on availability of resources and would compete with the many priorities given to Minnesota State Patrol staff.

Despite this limitation on the enforcement efforts of the Minnesota State Patrol for a city's noise ordinance, citations and written warnings could be issued by local law enforcement. These activities by local law enforcement would provide an additional means of educating motorists and upholding a city's noise ordinance.

Hopefully the above has provided the requested assistance in understanding the issues surrounding engine braking enforcement. If additional information is needed, please let me know.

Sincerely,

A handwritten signature in black ink that reads "Greg B. Ous". The signature is written in a cursive, flowing style.

Greg Ous, P.E.
District 7 Engineer

CC: Captain Jean Cemensky, Minnesota State Patrol District 2200
Scott M. Thompson, District 7 Traffic Engineer



AGENDA RECOMMENDATION

City Council Work Session

2.

Meeting Date: 10/28/2024

Agenda Item:

Review Recreation Sponsorships

Recommendation/Action(s):

Discussion/Direction

Summary:

At the April 1 Council Work Session, staff presented sponsorship data, gathered by website collection, online surveys and phone surveys. This data was collected with the goal of guiding decision-making for sponsorships on park facilities around the City. From this collection we determined that sponsorships in other cities are being sold in many different ways, including sold by their city staff, sold by outside organizations and refusing to sell sponsorships. After this presentation, staff were asked to come back in the future with a recommendation.

Since that time, staff have worked to determine what options are available and what would be best for our system, especially considering existing sponsorships on the recreational spaces. Staff put together three varying options based on the demand and existing circumstances of sponsorships in the parks. Staff are seeking a consensus on this policy recommendation to move forward with many of the association contract renewals in 2025. Staff have assembled a brief presentation that will be provided at the meeting.



AGENDA RECOMMENDATION

City Council Work Session

3.

Meeting Date: 10/28/2024

Agenda Item:

Review proposed Cannabis Ordinances

Recommendation/Action(s):

Discussion/Direction

Summary:

The state legislature legalized cannabis in 2023. According to the legislation, the state is primarily responsible for regulation, while the city's authority to regulate cannabis is limited. The city has authority to:

- (1) register retail businesses
- (2) set zoning regulations within state limitations
- (3) regulate the use of cannabis in public spaces

Ordinances have been drafted addressing these subjects. The zoning ordinance must be referred to the planning commission for consideration before consideration by the City Council. We are proposing the following schedule for consideration:

October 28	Work Session Review of Ordinances
November 12	Call for Public Hearing re Ordinance Consideration on November 25
November 20	Planning Commission Consideration of Zoning Ordinance
November 25	Council Holds Public Hearing re Ordinance

Following adoption of the ordinance, in accordance with our Charter, the city will publish the ordinance which shall become effective at the expiration of 30 days after adoption.

There are three ordinances for consideration. For the zoning ordinance, we are summarizing the proposed changes vs. reviewing the entire code.

Special Events

Attached is a draft code that regulates cannabis events. We are required by law to allow events, but are allowed to regulate the time, place, and manner of the events. Staff is recommending:

- A prohibition of cannabis events on public property and within 1,000 feet of a school or within 500 feet of a daycare, residential treatment facility, or an attraction within a public park that is used by minors
- That no consumption of cannabis may take place during the event

The City may consider language that limits the time of day for the events.

Registration

Because cities are required to complete an annual inspection of cannabis retailers and lower potency hemp edible retailers, staff is recommending that the City register all the individuals we are required to inspect. The draft ordinance provides for the following:

- Cannabis retail businesses must register with the City and be compliant with our zoning laws.
- Cannabis retail businesses may operate within the hours between 10 a.m. and 9 p.m.
- No registration is required for medical cannabis businesses.
- No lower-potency hemp edible retailers may operate a moveable place of business.

Zoning

In the legislation legalizing cannabis, the City of Mankato is required to determine which zoning districts cannabis related businesses are allowed to operate. The legislation prohibits cities from excluding cannabis-related businesses from the City. The cannabis related activities include:

- Retail
- Transportation and delivery service for cannabis items
- The cultivation/growing of cannabis
- Manufacturing, processing, testing, and wholesale
- On-site consumption of edible cannabis products and lower-potency hemp edibles

Sales and accessory sales of Low Potency Edibles is listed as a permitted use in each commercial zoning district (CBD-C, CBD-F, B-1, B-2, and B-3).

The proposed ordinance allows cannabis retail businesses and delivery service providers as permitted uses in B-3, Highway Business zoning district. This area is least impacted by the distance/buffering regulations (listed below).

Businesses engaged in wholesale would be permitted in the B-2, General Business District, PI, Planned Industrial District, M-1, Light Industrial, and M-2, Heavy Industrial Districts.

Cultivation of cannabis will be allowed in the PI, Planned Industrial District, M-1, Light Industrial, and M-2, Heavy Industrial Districts (uses allowed in the PI and M-1 Districts are listed as permitted uses in the M-2).

Manufacturing, processing, testing, and transportation would be allowed uses in the M-1, Light Industrial, and M-2, Heavy Industrial Districts.

Cities are allowed to buffer cannabis-related businesses from schools, daycares, residential treatment facilities, and public parks used by minors, including a playground or athletic field. The proposed ordinance includes buffers of 1,000 feet from a school or 500 feet from a daycare, residential treatment facility, or public park that is used by minors. The zoning ordinance refers to the distances that are included in Chapter 5.

Cannabis related businesses shall comply with all other requirements of the zoning ordinance including for signage, parking, setbacks and height, floor area ratio, building design, and performance standards (lighting, noise, etc.).

Attachments

Draft Ordinance re Registration Requirements

Draft Ordinance re Temporary Special Events

Draft revisions to Zoning Ordinance

Map - Cannabis Restrictions

ORDINANCE NO. _____

CITY OF MANKATO
STATE OF MINNESOTA

AN ORDINANCE ESTABLISHING REGISTRATION REQUIREMENTS FOR THE
SALE OF LOWER-LEVEL INTOXICATING HEMP PRODUCTS, ARTIFICIAL OR
OTHERWISE, AND THE SALE OF ADULT USE CANNABIS PRODUCTS

The City of Mankato hereby ordains:

SECTION 1. City Code of Ordinances, Chapter 5, Business Regulations and Licensing Generally, is hereby amended by adding the following new Sec. 5.52:

Sec. 5.52. – Adult-Use Cannabis Retailers & Lower-Potency Hemp Edible Retailers

Subd. 1. Definitions. The following words, terms and phrases, when used in this Section, shall have the meanings ascribed to them in this Section or, if not defined herein, Minn. Stat., Chapter 342, except where the context clearly indicates a different meaning. Other words, terms and phrases used in this Chapter and not defined in this subdivision will have the meanings ascribed to them in Minn. Stat., Chapter 342, if applicable.

- A. *Adult-use Cannabis Concentrate* means cannabis concentrate that is approved for sale by the Office of Cannabis Management or is substantially similar to a product approved by the Office. Adult-use cannabis concentrate does not include any artificially derived cannabinoid.
- B. *Adult-use Cannabis Flower* means cannabis flower that is approved for sale by the Office or is substantially similar to a product approved by the Office. Adult-use cannabis flower does not include medical cannabis flower, hemp plant parts, or hemp-derived consumer products.
- C. *Adult-use Cannabis Product* means a cannabis product that is approved for sale by the Office or is substantially similar to a product approved by the Office. Adult-use cannabis product includes edible cannabis products but does not include medical cannabinoid products or lower-potency hemp edibles. Adult use products may also include products made from Adult-use Cannabis Concentrate, Adult-use Cannabis Flower, Artificially Derived Cannabinoid, Cannabis Concentrate, and Cannabis Flower.
- D. *Artificially Derived Cannabinoid* means a cannabinoid extracted from a cannabis plant, cannabis flower, hemp plant, or hemp plant parts with a chemical makeup that is changed after extraction to create a different cannabinoid or other chemical compound by applying a catalyst other than heat or light. Artificially derived cannabinoid includes but is not limited to any tetrahydrocannabinol created from cannabidiol but does not include cannabis concentrate, cannabis products, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products.

- E. *Athletic Fields* means a piece of land and supporting facilities prepared and used for playing a game or sporting activity or regularly hosting sporting practices and events.
- F. *Cannabinoid* means any of the chemical constituents of hemp plants or cannabis plants that are naturally occurring, biologically active, and act on the cannabinoid receptors of the brain. Cannabinoid includes but is not limited to tetrahydrocannabinol and cannabidiol.
- G. *Cannabis Business* means any of the following licensed businesses under Minn. Stat., Chapter 342, the statutory definitions of which are incorporated by reference:
- 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;
 - 11) medical cannabis combination business.
- H. *Cannabis Lounge* means a portion of the premises of a Cannabis Microbusiness licensed or endorsed by the State of Minnesota Office of Cannabis Management for on-site consumption of edible cannabis products and lower-potency hemp edibles.
- I. *Cannabis Retail Business* means any of the following licensed under Minn. Stat., Chapter 342:
- 1) Cannabis microbusiness;
 - 2) Cannabis mezzobusiness;
 - 3) Cannabis retailer and
 - 4) Medical cannabis combination business.
- I. *CBD* means a compound of the cannabis plant known as cannabidiol that is not intoxicating.
- J. *Day care* means the care of a child outside the child's own home for gain, on a regular basis, for any part of a 24-hour day.
- K. *Intoxicating Hemp Product* means any product that is intended to be eaten or consumed by humans, contains a contains hemp concentrate or an artificially derived cannabinoid, in combination with food ingredients, is not a drug, and meet the requirements to be sold under Minn. Stat. § 151.72 or after March 1, 2025, the requirements under Minn. Stat., Chapter 342. This product meets the definition of Lower-Potency Hemp Edibles in Minn. Stat. § 342.01, subd. 50, as amended from time to time. This does not include any product intended to be externally applied to skin. A product intended to only contain CBD but which may contain less than trace amounts of tetrahydrocannabinol (THC) as an

unintended result of the manufacturing process is not considered an Intoxicating Hemp Product.

- L. *Lower-Potency Hemp Edible Retailer* means a business that sells Intoxicating Hemp Products at retail. In state law, as amended from time to time, these businesses are licensed as Lower-Potency Hemp Edible Retailers.
- M. *Playgrounds* means improved open spaces designed, equipped and set aside for the recreation of children.
- N. *Premises* means the area from which a Cannabis Retail Business sells Adult Use Cannabis Products or a Lower-Potency Hemp Edible Retailer sells Intoxicating Hemp Products and, for an On-Site Lower-Potency Hemp Edible Retailers and Liquor Store, the area for which the licensed premises is identified pursuant to its license issued under Minn. Stat. Chapter 340A.
- O. *Liquor Store* means a business licensed under Minn. Stat. Chapter 340A to sell alcoholic beverages in original packages for consumption off the licensed premises only.
- P. *Moveable place of business* means any form of business operated out of a truck, van, automobile, or other type of vehicle or transportable shelter and not a fixed address store front or other permanent type of structure authorized for sales transactions. Moveable Place of Business does not include instances when On-Site Lower-Potency Hemp Edible Retailers sell Intoxicating Hemp Products at a location pursuant to a caterer's permit or Cannabis special event permit.
- Q. *Office* means the Office of Cannabis Management.
- R. *Off-Sale Lower-Potency Hemp Edible Retailer* means a business that sells Intoxicating Hemp Products for off-site consumption.
- S. *On-Site Lower-Potency Hemp Edible Retailer* means a business with an on-sale liquor license pursuant to Minn. Stat., Chapter 340A and which sells Intoxicating Hemp Products that are intended to be consumed as a beverage, for on-site consumption. A licensed Cannabis Microbusiness may sell Intoxicating Hemp Edibles and Adult Use Edibles on-site as part of a Cannabis Lounge.
- T. *Registered Products* means the products, whether Adult-Use Cannabis Products or Intoxicating Hemp Products, for which the entity is licensed to sell.
- U. *Residential Treatment Facility* means the type of facilities defined under Minn. Stat. Section 245.462, subd. 23.
- V. *Sale* means any transfer of goods for money, trade, barter or other consideration.
- W. *THC* means the chemical compound of the cannabis plant tetrahydrocannabinol.

Subd. 2. Purpose. The City recognizes that the sale of certain products containing the psychoactive cannabis compound THC is legal when those sales are to individuals 21 years of age or older, and that the increase of these types of products in the community increases the likelihood that youth will have access to and use products containing THC. The use of those products by individuals under the age of 21 places a burden on all levels of government, resulting in financial and other public resources being needed to address both violations of laws and regulations regarding such use, including the impacts on health. The purpose of this Chapter is to regulate the sale of products containing THC for the purpose of enforcing and further existing laws and regulations.

Subd. 3. Registration Required

A. Re-license Certification of Cannabis Businesses.

- 1) The City Manager, 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.
- 2) Potential licensees are responsible for making all necessary zoning applications 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 zoning and land use laws. If, at the time the City receives a request for zoning certification, 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 inspections prior 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.

B. Intoxicating Hemp Products. Businesses may only sell Intoxicating Hemp Products to customers, for on-site or off-site consumption, if one of the following two conditions apply:

- 1) For on-site consumption, an On-Site Lower-Potency Hemp Edible Retailer must be registered with the city before making sales to customers and must have an active on-sale liquor license pursuant to Minn. Stat. Chapter 340A. Immediately after the Office begins licensing these retailers, the retailer must also be licensed by the Office pursuant to Minn. Stat. § 342.10 as a Lower-Potency Hemp Edible Retailer, as that term is defined by Minn. Stat. § 342.01, and as those sections are amended from time to time. A licensed Cannabis Microbusiness may sell Intoxicating Hemp Edibles and Adult Use Edibles on-site as part of a Cannabis Lounge.
- 2) For off-site consumption, Lower-Potency Hemp Edible Retailer must be registered with the city before making sales to customers and immediately after the Office begins licensing, must be licensed by the Office pursuant to Minn. Stat. § 342.10 as a Lower-Potency Hemp Edible Retailer, as that term is defined by Minn. Stat. § 342.01, and as those sections are amended from time to time, to sell product retail.

C. Adult Use Products. Only Cannabis Retail Businesses may sell Adult Use Cannabis Products. A Cannabis Retail Business must have an active license issued by the Office pursuant to Chapter 342 of Minn. Stat. which allows it to sell Adult Use Cannabis Product at retail, and also must be registered with the city before making sales to customers.

- D. *Hours of Operation.* Cannabis Retail Businesses are limited to retail sale between the hours of 10:00 a.m. and 9:00 p.m. The hours of Lower-Potency Hemp Edible Retailers who have an on-sale liquor license pursuant to Minn. Stat. Chapter 340A may be consistent with the hours open as part of the on-sale liquor licensure.
- E. *Exemption.* No city-issued registration is required for a business selling medical cannabis as part of the Minnesota's Medical Cannabis Program described in Minn. Stat. §§ 152.22 to 152.37 or for a Liquor Store.

Subd. 4. Registration Application and General Information

- A. *General Application Information – Cannabis Retail Businesses, and Lower-Potency Hemp Edible Retailers, whether on-site or off-sale, must submit the following to the City:*
- 1) Complete registration form, including confirmation that the business is registered with the Office.
 - 2) A registration fee, which shall be established pursuant to City Council Fee Schedule or state law, whichever is less. The registration fee shall be non-refundable once processed. The City shall not charge an application fee. A medical combination business operating an adult-use Cannabis Retail Business location may only be charged a single registration fee. The initial registration fee shall include the initial retail registration fee and the first annual renewal fee.
 - 3) Copy of the active license issued by the Office and confirmation of criminal history checks on applicant's employees as required by Minn. Stat. § 342.151.
 - 4) Full name of the property owner and applicant.
 - 5) The address and parcel ID for the property which the registration is sought.
 - 6) If the applicant does not own the business premises, a true and complete copy of the executed lease for the premises, if applicable. The name of the business, if it is to be conducted under a designation, name or style other than the name of the applicant and a certified copy of the certificate as required by Minn. Stat. § 333.01, as it may be amended from time to time.
 - 7) Whether all real estate and personal property taxes that are due and payable for the premises have been paid and, if not paid, the years and amounts that are unpaid.
 - 8) A written declaration by the applicant, under penalty of perjury, that the information contained in the application is true. If the applicant is a corporation, an officer must sign the written declaration. If the applicant is a partnership, a general partner must sign the written declaration. If the applicant is an unincorporated association, the manager or managing officer must sign the written declaration.
- B. *Additional On-Site Lower-Potency Hemp Edible Retailers Application Information – In addition to the application information contained in Subdivision 4(A), On-Site Lower-Potency Hemp Edible Retailers must also submit confirmation that the premises either has an on-sale liquor license or a Cannabis Microbusiness License issued pursuant to Minn. Stat., Chapter 340A.*
- C. *Additional Application Information.*
- 1) Natural Persons. In addition to (A) above, Natural Person Applicants may be required to provide:

- i. Address, email address, telephone number and date of birth of the applicant;
- ii. Street resident addresses of where the applicant has lived during the past five years and telephone numbers and dates for which such addresses and phone numbers were used;
- iii. Whether the applicant has ever been known by a name other than the applicant's name and, if so, the name or names used, including maiden names, and information concerning dates and places used;
- iv. The type, name and location of every business or occupation in which the applicant has been engaged during the preceding five years and the names or addresses of the applicant's employers and partners, if any, for the preceding five years, and corresponding dates of employment;
- v. A physical description of the applicant; and
- vi. If the applicant does not manage the business, the name of the managers or other persons in charge of the business and all information concerning each of them pursuant to above (i)-(v) in this subsection.

2) Partnership. If the applicant is a partnership, the applicant may be required to provide the following information:

- i. The names and addresses of all general and limited partners and all information concerning each general partner pursuant to divisions c(1) above;
- ii. The names of the managing partners and the interest of each partner in the licensed business;
- iii. A copy of the partnership agreement. If the partnership is required to file a certificate as to a trade name pursuant to Minn. Stat. § 333.01, as it may be amended from time to time, a certified copy of the certificate must be attached to the application;
- iv. The applicant's federal tax identification number and state employer identification number; and
- v. If the applicant does not manage the business, the name of the managers or other persons in charge of the business and all information concerning each of them pursuant to divisions (c)(1) above.

3) Corporation. If the applicant is a corporation or other organization, the applicant may be required to provide the following information:

- i. The name of the corporation or business and the state of incorporation;
- ii. A copy of the articles of incorporation or association agreement and bylaws. If the applicant is a foreign corporation, a certificate of authority as required by Minn. Stat. § 303.06, as it may be amended from time to time, must be attached;
- iii. The applicant's federal tax identification number and state employer identification number;
- iv. The name of the managers or other persons in charge of the business and all information concerning each manager, proprietor or agent pursuant to (c)(1) above; and
- v. A list of all persons who control or own an interest in excess of 5% in the organization or business or who are officers of the corporation or business and all information concerning the persons pursuant to (c)(1) above. This provision, however, does not apply to a corporation whose stock is publicly traded on a stock

exchange and the corporation is applying for a license to be owned and operated by itself.

- D. *No Moveable Place of Business* – No Lower-Potency Hemp Edible Retailer Moveable Place of Business or Cannabis Retail Business Moveable Place of Business is allowed and, as a result, no registration will be issued for a Moveable Place of Business.
- E. *Term* – All registrations issued are valid for one calendar year from the date of issue. The initial registration fee shall include the fee for initial registration and the first annual renewal. Any renewal fee imposed by the local unit of government shall be charged at the time of the second renewal and each subsequent annual renewal thereafter. Businesses renewing their registration must submit a renewal fee at the time of renewal. 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. Registration fees will not be prorated.
- F. *Registration Conditions* – Registrants are subject to the performance standards and penalties in this Section and other applicable code sections. Violations of any of the applicable provisions of this Section are considered a violation of City Code and may result in criminal penalties, administrative fines or the City action on a registration. Additionally, a registration shall not be approved or renewed if the registrant is unable to meet the requirements of this ordinance.
- G. *Non-transferability* - Other than state approved transfers of ownership required by Minn. Stat. § 342.12, a registration is non-transferable. All registrations issued under this section are valid only on the premises for which the registration was issued. The transfer of any registration to another location is prohibited. If there is a change in the ownership of the license holder pursuant to Minn. Stat. § 342.12, the license holder must notify the City of the change, along with submitting a copy of the newly transferred state issued license so that the City can update the registration.
- H. *Initial Compliance Check* - For all new and renewal registrations, the City shall conduct a preliminary compliance check to ensure compliance with this ordinance and to obtain proof of compliance with required criminal history checks on applicant's employees as required by Minn. Stat. § 342.151.
- I. *Signage* - Notice of the legal sales age and age verification requirements must be posted at each location where registered products are offered for sale. The required signage, which shall be provided to the applicant by the City, must be posted in a manner that is clearly visible to anyone who is or is considering making a purchase. On-site signs advertising the business must comply with the City's sign code.
- J. *Certification* - Pursuant to Minn. Stat., Chapter 342, within 30 days of receiving a copy of a state license application from the Office, the City shall certify, on a form provided by the Office, whether a proposed retail business complies with local zoning ordinances, state fire code and building code, and if applicable, local registration requirements. If a renewal and the Office has started licensing pursuant to Minn. Stat., Chapter 342, the City shall renew an annual registration of a state-licensed Cannabis Retail Business or Lower-Potency Hemp Edible Retailer to correspond when the Office renews the business' state

license. A state-licensed retail business shall apply to renew its registration on a form established by the City. Any renewal retail registration fee imposed by the City shall be charged at the time of the second renewal and each subsequent renewal thereafter. A renewal retail registration fee shall not exceed the limits set forth in state statute, as amended from time to time.

K. *Basis for recommendation of denial of license* - Upon notice of application of license from the Office related to a retail business anticipated herein, any of the following reasons are grounds for recommending denial of licensing to the Office or denying registration, except as may otherwise be provided by law:

- 1) The proposed use does not comply with the Zoning Ordinance.
- 2) The proposed use does not comply with health, building, maintenance or other provisions of the City code, fire code or state law.
- 3) The applicant has failed to pay all of the appropriate fees related to the registration.
- 4) The applicant is under the age of 21 years.
- 5) The applicant has made fraudulent statements, misrepresentations, not fully disclosed information or made false statements in the application or investigation for or in the course of the applicant's business.
- 6) The applicant is prohibited by federal, state or other local law, ordinance or other regulation, from holding such a registration.
- 7) If the applicant is applying for a Cannabis Retailer Business, the applicant is applying for a location in an area that is prohibited for such use by state law or the City zoning code or where the property line is within 1,000 feet of a school, or within 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including playgrounds and athletic fields.
- 8) The applicant's application, if granted, would result in more than the allowable number of Cannabis Business Retailers under City Code and specifically in this Chapter.

The City shall immediately notify the retailer in writing the grounds for its decision.

L. *Basis for suspension of registration* - A registration may be suspended if:

- 1) It does not comply with the Zoning Ordinance.
- 2) If the applicant is applying for a Cannabis Retailer Business, the applicant is applying for a location in an area that is prohibited for such use by state law or the City zoning code or where the property line is within 1,000 feet of a school, or within 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including playgrounds and athletic fields.
- 3) It does not comply with health, building, maintenance or other provisions of the City code, fire code or state law.
- 4) It poses an immediate threat to the health or safety of the public.
- 5) It operates illegally under state law or city code or exceeds the allowable number of retailers, if applicable.
- 6) It sells to customers under the age of 21 years.
- 7) It sells or offers for sale products not complying with labeling or packaging requirements set forth in state law or sells or offers to sell products outside scope of state license.

The City shall immediately notify the retailer in writing the grounds for the suspension.

Subd. 5. Zoning Requirements. No registration issued under this Chapter shall be granted until all applicable zoning requirements are met or until all conditions for approval of the use have been satisfied.

Subd. 6. Limit on registrations

- A. **Lower-Potency Hemp Edible Retailer.** The City has not established a limit on the number of Lower-Potency Hemp Edible Retailer registrations.
- B. **On-Site Intoxication Hemp Product Retailer.** The City has not established a limit on the number of On-Site Lower-Potency Hemp Edible Retailer registrations other than requiring these businesses to have up-to-date on-sale liquor license.
- C. **Cannabis Retailer Businesses.** The City has established a limit of four (4) Cannabis Retail Business registrations available at one time.
- D. **First Come, First Served.** 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 Subd. 4 are received by the City and include all required information.

Subd. 7. Responsibility. All registrants under this Chapter shall be responsible for the actions of their employees in regard to the sale of Adult-Use Cannabis Products and Intoxicating Hemp Products, and the sale of such an item by an employee shall be considered a sale by the registrant. Nothing in this Chapter shall be construed as prohibiting the city from also subjecting the registrant to whatever penalties are appropriate under this Chapter, state or federal law, or other applicable law or regulation.

Subd. 8. Compliance Checks And Inspections. All Cannabis Retail Businesses, On-Site Lower-Potency Hemp Edible Retailers and Lower-Potency Hemp Edible Retailers premises shall be open to inspection by the city police or other authorized city official during regular business hours. From time to time, but at least once per year, the city shall conduct compliance checks by engaging individuals over the age of 17 years old but less than 21 years old, to enter the premises to attempt to purchase Adult-use Cannabis Products or Intoxicating Hemp Products. Prior written parental or guardian consent is required for any person under the age of 18 who participates in a compliance check. Individuals used for the purpose of compliance checks shall be supervised by city designated law enforcement officers or other designated city personnel. Individuals used for compliance checks shall not be guilty of unlawful possession of Adult-use Cannabis Products or Intoxicating Hemp Products when such items are obtained as a part of the compliance check. No individual used in compliance checks shall attempt to use a false identification misrepresenting the individual's age, and all individuals lawfully engaged in a compliance check shall answer all questions about the individual's age asked by the registrant or their employee, and shall produce any identification, if any exists, for which they are asked. Nothing in this Chapter shall prohibit compliance checks authorized by state or federal laws for educational, research or training purposes, or required for the enforcement of a particular state or federal law.

Subd. 9. Prohibited Sales. It shall be a violation of this Chapter for any person to sell or offer to sell any Adult-use Cannabis Products or Intoxicating Hemp Products:

- A. Not meeting the following requirements authorized in Minn. Stat., § 151.72, or after March 1, 2025, the requirements of Minn. Stat., Chapter 342, including, but not limited to:
 - 1) Packaging - Minn. Stat. § 151.72, subd. 5a., or after March 1, 2025, the requirements of Minn. Stat. § 342.62;
 - 2) Secured Storage and Sales - Minn. Stat. § 151.72, subd. 5a (h), or after March 1, 2025, the requirements of Minn. Stat. § 342.46, subd. 4;
 - 3) Testing Requirements - Minn. Stat. § 151.72, subd. 4., or after March 1, 2025, the requirements of Minn. Stat. § 342.61; and
 - 4) Labeling Requirements - Minn. Stat. § 151.72, subd. 5., or after March 1, 2025, the requirements of Minn. Stat. § 342.63;
- B. To any person under the age of 21 years. Prior to initiating a sale or otherwise providing an edible cannabinoid product to an individual, an employee of a retailer must verify that the individual is at least 21 years of age pursuant to Minn. Stat. § 151.72, subd. 5c, or after March 1, 2025, the requirements of Minn. Stat. § 342.46, subd. 3;
- C. For a nominal amount or by means of sampling, unless otherwise allowed under Minn. Stat., Chapter 342;
- D. By internet sales or delivery, unless the business utilizes an independent third-party age-verification system; or
- E. By any other means, to any other person, or in any other manner or form prohibited by federal, state or other local law, ordinance provision, or other regulation.

Subd. 10. On-Site Intoxicating Hemp Business Manufacturing

- A. On-Site Lower-Potency Hemp Edible Retailers may manufacture Intoxicating Hemp Products intended to be consumed as a beverage as an accessory use at breweries and distilleries licensed as such under Minn. Stat., Chapter 340A, as long as the manufacturing process for the beverages does not involve the Cannabis plant. For purposes of this Section, accessory use is defined to mean not accounting for more than 50% of the production of total product produced at the brewery or distillery. The transporting or distribution of such Intoxicating Hemp Products manufactured as an accessory use at a brewery or distillery to locations outside of the City also is allowed as part of the accessory use during this time period.
- B. Intoxicating Hemp Products manufactured as described in (A) herein may only be sold at retail for off-sale consumption by the On-Site Lower-Potency Hemp Edible Retailer when that business holds both a current Lower-Potency Hemp Edible Manufacturer license from the Office and a current Lower-Potency Hemp Edible Retailer license from the Office.

Subd. 11. On-Site Intoxicating Hemp Business Registration Condition. An On-Site Intoxicating Hemp Business registration will terminate, with no further action of the City, if the registrant's on-sale liquor license expires or, when applicable, registrant's Cannabis Microbusiness license, terminates, or is otherwise not effective.

Subd. 12. Exceptions And Defenses. Nothing in this Chapter shall prevent the providing Adult Use Cannabis Products or Intoxicating Hemp Products to an individual under the age of 21 as part of a lawfully recognized religious, spiritual or cultural ceremony. It shall be an affirmative defense to the violation of this Chapter for a person to have reasonably relied on proof of age as described by state law.

Subd. 13. Offenses Involving Individuals Under the Age of 21.

- A. *Illegal sales.* It shall be a violation of this Chapter for any person to sell or otherwise provide any Adult-use Cannabis Product or Intoxicating Hemp Product to any individual under the age of 21.
- B. *Illegal possession.* It shall be a violation of this Chapter for any individual under the age of 21 to have in their possession any Adult-use Cannabis Product or Intoxicating Hemp Product. This subsection shall not apply to individual under the age of 21 lawfully involved in a compliance check.
- C. *Illegal use.* It shall be a violation of this Chapter for any individual under the age of 21 to use any Adult-use Cannabis Product or Intoxicating Hemp Product.
- D. *Illegal procurement.* It shall be a violation of this Chapter for any individual under the age of 21 to purchase or attempt to purchase or otherwise obtain any Adult-use Cannabis Product or Intoxicating Hemp Product, and it shall be a violation of this Chapter for any person to purchase or otherwise obtain such items on behalf of an individual under the age of 21. It shall further be a violation for any person to coerce or attempt to coerce an individual under the age of 21 to illegally purchase or otherwise obtain or use any Adult-use Cannabis Product or Intoxicating Hemp Product. This subsection shall not apply to individual under the age of 21 lawfully involved in a compliance check.
- E. *Use of false identification.* It shall be a violation of this Chapter for any individual under the age of 21 to attempt to disguise their true age by the use of a false form of identification, whether the identification is that of another person or one on which the age of the person has been modified or tampered with to represent an age older than the actual age of the person.

Subd. 14. Violations.

- A. *Notice.* Upon discovery of a suspected violation, the alleged violator shall be issued, either personally or by mail, by the City Manager or City Manager's designee a written citation that sets forth the alleged violation, and the determined consequence for the violation, which may include either an administrative or criminal penalty, in addition to a possible denial, suspension or revocation of a registration, and which shall inform the alleged violator of their right to be heard on the accusation pursuant to Sec. 5.03 of Chapter 5 of City Code.
- B. *Hearings.* If a person accused of violating this Chapter so requests, a hearing shall be scheduled in front of the City Council.
- C. *Notice.* As set forth in Sec. 5.03 of Chapter 5 of City Code, the applicant or registrant must file a written notice of appeal with the City Manager or City Manager's designee within five (5) days of being informed of the decision regarding the registration status or the consequences of the violation. The City Council will then review the decision to determine whether or not the action was correct. The City Council may, in connection with its review of the action either affirm, reverse or modify the actions. The applicant shall be advised by mail of the date and time that the Council will hear the applicant's appeal.

- D. *Final Decision.* The Council may continue consideration of the registration or renewal to accommodate necessary notification to the Office or may temporarily suspend the registration upon such terms and conditions as it deems reasonable and necessary to accomplish the purposes of this Chapter. The decision by the City Council is final and not appealable but is subject to licensing decisions by the Office.
- E. *Misdemeanor prosecution.* Nothing in this Chapter shall prohibit the city from seeking prosecution as a misdemeanor for any alleged violation of this Chapter. If the city elects to seek misdemeanor prosecution, no administrative penalty shall be imposed.
- F. *Notification to the Office.* Within ten (10) days of any decision which impacts a state licensed Cannabis Retail License or Lower-Potency Hemp Edible Retailer License, as that term is defined in Minn. Stat. §342.01, subd 48, the City shall notify the Office of the decision and shall include the grounds for the decision. As required by state law, the Office will provide the City and retailer a response to the complaint within seven calendar days and perform any necessary inspections within 30 calendar days.
- G. *Continuations.* The continuation of consideration of an application for registration, renewal for registration, the status of a registration or the suspension of either a Cannabis Retail Business registration or Lower-Potency Hemp Edible Retailer registration may be for up to 90 calendar days, unless the Office suspends the businesses' corresponding license for a longer period. The business may not make sales to customers if their registration is suspended or not on active status due to a continuation. With respect to suspensions, the City may reinstate a registration if it determines that the violations have been resolved and it has received any necessary notification from the Office that violations have been resolved.

Subd. 15. Penalties For Violation Of Article.

Any registration issued under this Chapter may be revoked or suspended, subject to actions by the Office. In addition, any person who violates any provision of this Chapter is subject to the general penalties section, XXXX of City Code. Nothing in this Chapter shall prohibit the city from seeking prosecution as a misdemeanor for any violation of this Chapter.

Subd. 16. 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.

SECTION 2. INTERIM ORDINANCE TERMINATION. Upon the Effective Date of this Ordinance, Interim Ordinance shall automatically terminate.

SECTION 3. EFFECTIVE DATE. This ordinance shall, in accordance with the provisions of Section 2.14 of the Mankato City Charter, become effective thirty (30) days after publication of notice of its adoption.

Adopted this ____ day of ____, 2024

Najwa Massad, Mayor

Attest: _____
Renaë Kopischke, City Clerk, MMC

DRAFT

ORDINANCE NO. _____

**CITY OF MANKATO
STATE OF MINNESOTA**

**AN ORDINANCE ESTABLISHING SPECIAL EVENT PERMIT REQUIREMENTS FOR
TEMPORARY CANNABIS EVENTS**

The City of Mankato hereby ordains:

City Code of Ordinances, Chapter 5, Business Regulations and Licensing Generally, is hereby amended by adding the following new Sec. 5.53:

Sec. 5.53. –TEMPORARY CANNABIS EVENT REGULATIONS

Subd. 1. Statement of Policy. The City of Mankato makes the following legislative findings: The purpose of this ordinance is to protect the public health, safety, welfare in the City by implementing regulations pursuant to Minnesota Statutes, chapter 342 related to temporary cannabis events 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.

Subd. 2. Definitions.

A. “Cannabinoid Product” means cannabis product, a hemp derived consumer product, or a lower-potency hemp edible as defined in Minn. Stat. § 342.01.

B. “Park Feature” means an attraction within a public park that is regularly used by minors, including, but certainly not limited to, a playground or athletic field, as those terms are defined in this Chapter.

C. “School” means any property owned, leased, or controlled by an independent district, commonly referred to as a school district, under Minn. Stat. § 123A.05; or by an organization operating a nonpublic school, as that term is defined in Minn. Stat. § 123B.41, subd. 9, where an elementary, middle, secondary school, secondary vocational center or other school providing educational services for any grade kindergartner through grade 12 is located; or any property owned, leased or used as a community education program by a school district or districts for children and their caregivers, relatives or parents for the ages from birth to kindergarten, excluding properties exclusively used for the remote or online delivery of educational programming

D. “Special Services” means the exclusive allocation of city resources, including, but not limited to, city personnel, equipment, rights-of-way, property or facilities for use in conjunction with a specific event or activity, as requested by the host or sponsor of the event, or as requested by or on behalf of any person attending the event, or deemed necessary by City Staff in order to maintain public safety. Special Services shall include, but not be limited to, any of the following: street closures; requiring police officers to stop or reroute traffic; special police protection; stationing emergency vehicles at or in the immediate vicinity of the event; exclusive use of city streets or property as a staging area or for event parking; additional street cleaning and garbage removal services; special signage, such as temporary no parking signs; the use of any city building, equipment or other property for any purpose other than the normal operations of the facilities; or the City otherwise providing exclusive services.

E. “Temporary Cannabis Event Organizer” means an individual or an organization licensed by the State of Minnesota to hold a Temporary Cannabis Event, as described in Minnesota Statute Section 342.39 and 342.40.

Subd. 3. Temporary Cannabis Event, Permit Required. Any person or organization desiring to hold a Temporary Cannabis Event in the City must first obtain a Temporary Cannabis Event Permit from the City.

Subd. 4. Permit Application.

A. Form. Application for a permit to hold a Temporary Cannabis Event must be made in writing and must contain a statement made upon oath or affirmation that the statements contained therein are true and correct to the best knowledge of the applicant and must be signed and sworn to or affirmed by the Temporary Cannabis Event Organizer. The application must contain and disclose the following:

1. Applicant name, address, phone number and a copy of the applicant’s state Temporary Cannabis Event license and supporting documents submitted to the State for licensing as required by Minnesota Statutes Section 342.39 subd. 2; which included, but is not limited to date(s) of proposed Temporary Cannabis Event, duration of Temporary Cannabis Event, including beginning and ending times, and address of proposed Temporary Cannabis Event;
2. Name of property owner, if different from applicant;
3. Additional description of the Temporary Cannabis Event including;
 - a. Whether the general public will be permitted to attend, and estimated number of persons to attend;
 - b. Any public health plans, including supplying water to the site, solid waste collection and provision of toilet facilities, if applicable;

- c. Any fire prevention and emergency medical services plans, if applicable;
- d. Security plans;
- e. The admission fee, donation, or other consideration to be charged or requested for admission, if applicable;
- f. Whether food or alcohol will be served or sold at the event;
- g. A detailed description of all public rights-of-way and private streets for which the applicant requests the City to restrict or alter normal parking, vehicular traffic or pedestrian traffic patterns, the nature of such restrictions or alterations, and the basis;
- h. A description of any services, city personnel, city equipment and city property which the applicant requests the City to provide, including the applicant's estimate of the number and type needed, and the basis on which the estimate is made. However, the City retains sole discretion to determine the number and type of services required for the event;
- i. Whether any sound amplification or public address system will be used or if there will be any playing of any music or musical instruments;
- j. A statement signed by the applicant agreeing to pay all fees and meet all other requirements of this Section;
- k. Applicant signature and property owner's signature, if different from applicant; and
- l. Any other information requested by the City, acting through its City Manager or Chief of Police deemed reasonably necessary in order to determine the nature of the Temporary Cannabis Event and the extent of any Special Services required.

B. Time for filing. A Temporary Cannabis Event permit application must be filed with the City at least 30 days in advance of the date in which the Temporary Cannabis Event is to occur.

C. Permit fee. An applicant for a Temporary Cannabis Event permit must pay a nonrefundable permit fee in the amount established by the City's fee ordinance.

Subd. 5. Application Review.

A. Upon receipt of a Temporary Cannabis Event permit application, the City Manager, or their designee, shall be responsible for promptly processing the application, including conferring with City Staff and the applicant as necessary to implement the provisions of this Section, and, when required by this Section, forwarding the processed application to

the City council with a recommendation to approve, approve with conditions or modifications, or deny the Temporary Cannabis Event permit application.

B. Special Services. The City Manager shall work with City Staff to determine whether Special Services may be necessary, and the cost for such Special Services.

C. Review. When a Temporary Cannabis Event will not require any Special Services, the City Manager may review and approve the permit application administratively. In cases where a Temporary Cannabis Event requires Special Services, the application will be presented to the City council for review.

D. Permit Denial. The city may deny an application for a Temporary Cannabis Event permit and notify the State of such, if it determines from a consideration of the application or other pertinent information, that:

1. The event would be held in a public place or a place of public accommodation. A public place means a public park, ballparks or trails, public event centers or facilities, public street, sidewalk or right-of-ways, alleys, boulevards, publicly-owned parking lots, and any other developed or undeveloped city owned property;
2. The event intends to allow offerings of samples of cannabinoid products;
3. The information contained in the application or supplemental information requested from the applicant is false or nonexistent in any material detail;
2. The applicant fails to supplement the application after having been notified by the City of additional information or documents needed;
3. The applicant fails to agree to abide or comply with all of the conditions and terms of the Temporary Cannabis Event permit, including payment of all costs and expenses, and, if on-site consumption is intended, then consumption only within a designated area not visible from any public place;
4. The Temporary Cannabis Event would substantially or unnecessarily interfere with traffic in the City, would interfere with access to the fire station or fire hydrants, or would interfere with access to businesses or residences in the immediate vicinity of the event and there are not sufficient city resources available at the time of the event to mitigate the disruption;
5. The Temporary Cannabis Event is of the size or nature that requires the diversion of so many law enforcement officers to properly police the event, site and contiguous areas that allowing the Temporary Cannabis Event would unreasonably deny law enforcement protection to the remainder of the City and its residents;

6. The proposed date and time of the Temporary Cannabis Event conflicts with a previously scheduled event and there are not available at the time of the proposed Temporary Cannabis Event sufficient city resources to provide services for both events without substantially or unnecessarily interfering with police, fire, water, public works, or other services to the City as a whole;
7. The location of the Temporary Cannabis Event will substantially interfere with any construction or maintenance work scheduled to take place upon or along public property or right-of-way;
8. The Temporary Cannabis Event would likely endanger the public safety or health;
9. The Temporary Cannabis Event would substantially or unnecessarily interfere with police, fire, water, public works, or other services to the City as a whole and there are not available at the time of the proposed event sufficient city resources to mitigate the disruption;
10. The applicant fails to comply with the liability insurance requirements or the applicant's insurance lapses or is canceled;
11. The applicant has on prior occasions made material misrepresentations regarding the nature and extent of Special Services required for a Temporary Cannabis Event in the City or has violated the terms of a prior Temporary Cannabis Event permit.

Subd. 6. Fees.

- A. Special Services Fee Deposit. If any Special Services are to be used during the Temporary Cannabis Event, the applicant may be required to pay a non-refundable Special Services fee deposit at least ten business days before the Temporary Cannabis Event. The City Manager shall determine the Special Services fee deposit. It shall be based upon an estimate of Special Services that are necessary as determined by the City's department heads.
- B. User Fee. Upon completion of the Temporary Cannabis Event, the City may prepare a detailed account of all Special Services provided for the Temporary Cannabis Event and in such cases, will set the final user fee using the rates, fees and charges established as provided in this ordinance. The city will then provide the applicant with a copy of the detailed account of the Special Services and an invoice for the user fee, less the fee deposit. The balance of the user fee will then become due and payable immediately upon its receipt.
- C. Special Services Rates. The rates charged shall be set by the City's Fee Ordinance and set forth in the Fee Schedule.

Subd. 7. Indemnification and Insurance.

A. If the Temporary Cannabis Event requires Special Services, prior to the issuance of a Temporary Cannabis Event permit, the permit applicant and authorizing officer of the sponsoring organization, if any, must sign an agreement to indemnify, defend and hold the City, its officials, employees, and agents harmless from any claim that arises in whole or in part out of the Temporary Cannabis Event, except any claims arising solely out of the negligent acts or omissions of the City, its officials, employees and agents.

B. Liability Insurance Required. The applicant must possess or obtain liability insurance to protect against loss from liability imposed by law for damages on account of bodily injury or property damage arising from the Temporary Cannabis Event. A certificate of insurance must be filed with the City prior to issuance of the Temporary Cannabis Event permit. The certificate of insurance must name the City, its officials, employees and agents as additional insureds. Insurance coverage must be maintained for the duration of the Temporary Cannabis Event. Any company hired or working on behalf of the applicant or sponsor must also present the City with a certificate of insurance naming the City, its officials, its employees, and agents as additional insureds.

C. Minimum Limits. Insurance coverage must be a commercial general liability policy. The minimum limits must be at least \$1,000,000. If on-site consumption is permitted at the Temporary Cannabis Event, the policy must also include an endorsement for such consumption. The city may require additional endorsements depending upon the type of Temporary Cannabis Event and the proposed activities.

D. Waiver or Reduction of Required Limits. The city may waive or reduce insurance requirements of this section under the following circumstances:

1. The applicant or officer of the sponsoring organization signs a verified statement that the insurance coverage required by this section is impossible to obtain; or
2. The city determines that the insurance requirements are in excess of the reasonable risk presented by the proposed Temporary Cannabis Event.

Subd. 8. Temporary Cannabis Event Regulations.

A. Location Restrictions. Temporary cannabis events are prohibited:

1. At, in or on any public place or a place of public accommodation. A public place means a public park, ballparks or trails, public event centers or facilities, public street, sidewalk or right-of-ways, alleys, boulevards, publicly-owned parking lots, and any other developed or undeveloped city owned property.

2. Within 1,000 feet of a school, or within 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including playgrounds and athletic fields.

B. [OPTIONAL] Hours Restrictions: Temporary cannabis events shall only be held between the hours of (insert start time) and (insert stop time).

C. On-site consumption of cannabinoid products at Temporary Cannabis Events on private property is permitted as allowed under state law including, but not limited to, only allowing within a designated area not visible from any public place, restricted to individuals who are at least 21 years old, not at a location or event that allows either consumption of alcohol or tobacco, or consumption of cannabinoid products by smoking or inhalation.

D. Noise. The Temporary Cannabis Event must be in compliance with the City's nuisance ordinance at all times.

E. All Temporary Cannabis Events must follow all requirements of Minn. Stat. § 342.01, et seq.

Subd. 9. Permit Revocation. A Temporary Cannabis Event permit may be revoked by the City Manager at any time for failure to comply with the provisions of this Section or Minn. Stat. § 342.01, et seq., including the requirements of Minn. Stat. § 342.40.

Subd. 10. Enforcement.

A. Misdemeanor: Any person who violates this Section 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. Administrative fine: any person who violates this Section is subject to administrative fines in an amount set in the City Fee Schedule. Each day each violation continues or exists, constitutes a separate offense.

C. Violation of any provision of this Section shall also be grounds for revocation of the Temporary Cannabis Event Permit, denial of any future application for a Temporary Cannabis Event permit, and action against any city-issued business license held by the Temporary Cannabis Event Organizer.

This ordinance shall, in accordance with the provisions of Section 2.14 of the Mankato City Charter, become effective thirty (30) days after publication of notice of its adoption.

Adopted this ____ day of ____, 2024

Najwa Massad, Mayor

Attest: _____

Renae Kopischke, City Clerk, MMC

Draft

PART I. SCOPE, DEFINITIONS, AND ESTABLISHMENT OF DISTRICTS.

Sec. 10.02. Definitions.

The terms used in this chapter shall have the following meanings:

Subd. X. Adult-use Cannabis Product. Means a cannabis product that is approved for sale by the Office or is substantially similar to a product approved by the Office. Adult-use cannabis product includes edible cannabis products but does not include medical *cannabinoid* products or lower-potency hemp edibles. Adult use products may also include products made from Cannabis Concentrate, Cannabis Flower, Artificially Derived Cannabinoid, Cannabis Concentrate, and Cannabis Flower.

Subd. X. Cannabinoid. Any of the chemical constituents of hemp plants or cannabis plants that are naturally occurring, biologically active, and act on the cannabinoid receptors of the brain. Cannabinoid includes but is not limited to tetrahydrocannabinol and cannabidiol.

Subd. X. Cannabis Business. Any of the following licensed under this Minnesota Statutes, Chapter 342 and as defined in Minn. Stat. § 342.01, as amended from time to time:

cannabis microbusiness;

cannabis mezzobusiness;

cannabis cultivator;

cannabis manufacturer;

cannabis retailer;

cannabis wholesaler;

cannabis transporter;

cannabis testing facility;

cannabis event organizer;

cannabis delivery service;

medical cannabis combination business

Subd. X. Cannabis Retail Business. Any of the following licensed under Minnesota Statutes, § 342.10:

Cannabis microbusiness;

Cannabis mezzobusiness;

Cannabis retailer and

Medical cannabis combination business

Subd. X. Cannabis Mezzobusiness. Any business licensed to perform any or all of the following within the limits established by Minnesota Statutes, § 342.29:

grow cannabis plants from seed or immature plant to mature plant and harvest cannabis flower from a mature plant for use as adult-use cannabis flower or for use in adult-use cannabis products;

grow cannabis plants from seed or immature plant to mature plant and harvest cannabis flower from a mature plant for use as medical cannabis flower or for use in medical cannabinoid products;

make cannabis concentrate;

make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

manufacture artificially derived cannabinoids;

manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

process medical cannabinoid products;

purchase immature cannabis plants and seedlings and cannabis flower from a cannabis microbusiness, another cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler;

purchase cannabis concentrate, hemp concentrate, and synthetically derived cannabinoids from a cannabis microbusiness, another cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler for use in manufacturing adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

purchase hemp plant parts and propagules from a licensed hemp grower licensed under chapter 18K;

purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;

sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to other cannabis businesses and to customers; and

perform other actions approved by the Office.

Subd. X. Cannabis Microbusiness. A business licensed to perform any or all of the following within the limits established by Minnesota Statutes, § 342.28:

grow cannabis plants from seed or immature plant to mature plant and harvest cannabis flower from a mature plant;

make cannabis concentrate;

make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

manufacture artificially derived cannabinoids;

manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

purchase immature cannabis plants and seedlings and cannabis flower from another cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler;

purchase hemp plant parts and propagules from an industrial hemp grower licensed under Minnesota Statutes Chapter 18K;

purchase hemp concentrate from an industrial hemp processor licensed under Minnesota Statutes Chapter 18K;

purchase cannabis concentrate, hemp concentrate, and artificially derived cannabinoids from another cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler for use in manufacturing adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;

sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to other cannabis businesses and to customers;

operate an establishment that permits on-site consumption of edible cannabis products and lower-potency hemp edibles; and

perform other actions approved by the Office.

Subd. X. Hemp Concentrate. Compounds that include (1) the extracts and resins of a hemp plant or hemp plant parts; (2) the extracts or resins of a hemp plant or hemp plant parts that are refined to increase the presence of targeted cannabinoids; or (3) a product that is produced by refining extracts or resins of a hemp plant or hemp plant parts and is intended to be consumed by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product. Hemp concentrate does not include artificially derived cannabinoids, lower-potency hemp edibles, hemp-derived consumer products, or hemp-derived topical product.

Subd. X. Lower-Potency Hemp Edibles.

Any product that (a):

(1) is intended to be eaten or consumed as a beverage by humans;

(2) contains hemp concentrate or an artificially derived cannabinoid, in combination with food ingredients;

(3) is not a drug;

(4) does not contain a cannabinoid derived from cannabis plants or cannabis flower;

(5) is a type of product approved for sale by the office or is substantially similar to a product approved by the office, including but not limited to products that resemble nonalcoholic beverages, candy, and baked goods

and meets either of the requirements of below (B)(1) or (B)(2):

B(1) a product that:

- i) consists of servings that contain no more than five milligrams of delta-9 tetrahydrocannabinol; no more than 25 milligrams of cannabidiol, cannabigerol, cannabinol, or cannabichromene; any other cannabinoid authorized by the office; or any combination of those cannabinoids that does not exceed the identified amounts;
- ii) does not contain more than a combined total of 0.5 milligrams of all other cannabinoids per serving; and

-
- iii) does not contain an artificially derived cannabinoid other than delta-9 tetrahydrocannabinol, except that a product may include artificially derived cannabinoids created during the process of creating the delta-9 tetrahydrocannabinol that is added to the product, if no artificially derived cannabinoid is added to the ingredient containing delta-9 tetrahydrocannabinol and the ratio of delta-9 tetrahydrocannabinol to all other artificially derived cannabinoids is no less than 20 to one;

or

B(2) a product that:

- i) contains hemp concentrate processed or refined without increasing the percentage of targeted cannabinoids or altering the ratio of cannabinoids in the extracts or resins of a hemp plant or hemp plant parts beyond the variability generally recognized for the method used for processing or refining or by an amount needed to reduce the total THC in the hemp concentrate; and
- (ii) consists of servings that contain no more than five milligrams of total THC.

Subd. X. Lower-Potency Hemp Edible Manufacturer. A manufacturer licensed by the OCM as lower-potency hemp edible manufacturer pursuant to Minn. Stat. § 342.10, as amended from time to time.

Subd. X. Lower-Potency Hemp Edible Retailer. An entity licensed by the OCM as a Lower-Potency Hemp Edible Retailer pursuant to Minn. Stat. § 342.10, as amended from time to time.

Subd. X. Medical Cannabis Combination Business. An entity licensed by the OCM as a Medical Cannabis Combination Business pursuant to Minn. Stat. § 342.515, as amended from time to time.

Subd. X. Medical Cannabis Distribution Facility. A facility operated by a medical cannabis manufacturer for purposes of distributing medical cannabis.

Subd. X. Non-Intoxicating Hemp Products. Includes hemp-derived topical products and hemp fiber products as those terms are defined in Minn. Stat. §342.01 and which are not intended for human or animal ingestion.

Subd. X. OCM. Refers to the Office of Cannabis Management.

Subd. X. School. Any property owned, leased, or controlled by an independent district, commonly referred to as a school district, under Minn. Stat. § 123A.05; or by an organization operating a nonpublic school, as that term is defined in Minn. Stat. § 123B.41, subd. 9, where an elementary, middle, secondary school, secondary vocational center or other school providing educational services for any grade kindergarten through grade 12 is located; or any property owned, leased or used as a community education program by a school district or districts for children and their caregivers, relatives or parents for the ages from birth to kindergarten, excluding properties exclusively used for the remote or online delivery of educational programming. A public or private facility that provides a curriculum of elementary and secondary academic instruction, including kindergartens, elementary, junior high schools, and high schools.

Subd. 140. THC. Tetrahydrocannabinol.

Sec. 10.43. CBD-C Central Business District-Core.

Subd. 1. Purpose. The CBD-C, Central Business District-Core, is designed and intended to provide locations in the downtown core area of the City for high density shopping and business developments on compact sites, stressing pedestrian orientation and access.

Subd. 2. Permitted Uses. Except as specifically limited herein, the following uses are permitted in the CBD-C, Central Business District-Core. Every use shall be operated in its entirety, within a completely enclosed structure, including the storage of all materials, products, and equipment:

- X. Sales of Low Potency Edibles and accessory sales of Low Potency Edibles.

Sec. 10.45. B-1 Community Business Districts.

Subd. 1. Purpose. The B-1, Community Business District, is designed to provide for a broad range of retail developments which are adjacent to residential areas. The district will also accommodate office and institutional uses as well as limited light industry.

Subd. 2. Permitted Uses. Except as specifically limited herein, the following uses are permitted in the B-1, Community Business District. Every use, unless expressly exempted below or allowed by a conditional use permit, shall be operated in its entirety within a completely enclosed structure, including the storage of all materials, products, and equipment:

- X. Sales of Low Potency Edibles and accessory sales of Low Potency Edibles.

Sec. 10.46. B-2 General Business District.

Subd. 1. Purpose. The B-2, General Business District, is designed and intended to provide for a broad range of commercial and light industrial developments.

Subd. 2. Permitted Uses. Except as specifically limited herein, the following uses are permitted in the B-2, General Business District. Every use, unless expressly exempted below or allowed by a conditional use permit, shall be operated in its entirety within a completely enclosed structure, including the storage of all materials, products, and equipment:

- X. Cannabis wholesale.

Sec. 10.47. B-3 Highway Commercial District.

Subd. 1. Purpose. The B-3, Highway Commercial District, is designed and intended to provide for automobile oriented commercial developments within the vicinity of streets with functional classifications of either arterials or major collectors. Such commercial developments are generally characterized by large parking areas. The district also encourages a broad range of business and light industrial activities.

Subd. 2. Permitted Uses. Except as specifically limited herein, the following uses are permitted in the B-3, Highway Commercial District. Every use, unless expressly exempted below or allowed by a conditional use permit, shall be operated in its entirety within a completely enclosed structure, including the storage of all materials, products, and equipment:

- X. Cannabis retail per the regulation contained in 5.52 and delivery.

Sec. 10.62. PI Planned Industrial District.

Subd. 1. Purpose. The PI, Planned Industrial District, is intended to provide strategic sites for certain light industrial development under exemplary standards that assist in making such developments compatible with property in neighboring residential and commercial districts.

Subd. 2. Permitted Uses. Except as specifically limited herein, the following uses are permitted in the PI, Planned Industrial District. Every use, unless expressly exempted below or allowed by a conditional use permit, shall be operated in its entirety within a completely enclosed structure, including the storage of all materials, products, and equipment:

- X. Cultivation and testing of cannabis.

Sec. 10.63. M-1 Light Industrial District.

Subd. 1. Purpose. The M-1, Light Industrial District, is intended to provide sites for light manufacturing and light industrial uses under controls that minimize any adverse effects on property in neighboring residential, business or commercial districts.

Subd. 2. Permitted Uses. Except as specifically limited herein, the following uses are permitted in the M-1, Light Industrial District:

- X. Cannabis manufacturing, processing, extraction, including mezzobusiness and microbusiness; provided mezzobusiness and microbusiness retail conforms to Section 5.52, Subdivision 4, Letter K.
- X. Lower Potency Hemp Edibles manufacturing.

Sec. 10.82. Special Provisions Applicable to Specific Permitted and Conditional Uses.

Subd. 1. Home Occupations. It is the findings of the City Council that home occupations effect neighborhood character, have a potential to be a nuisance to neighbors, and may negatively affect City services. The purpose of this section is to regulate home occupations in order to avoid such negative impacts and to ensure the integrity and goals of the residential zoning districts. Standards for home occupations are intended to ensure compatibility with other permitted uses and the character of the residential neighborhood.

- C. **Prohibited Home Occupations.** The following uses, by the nature of the investment or operation, have a pronounced tendency to rapidly increase beyond the limits permitted for home occupations. The following uses, therefore, are not permitted as home occupations:

4. Commercial Cannabis sales, commercial cannabis manufacturing, low potency hemp edible sales, low potency edible manufacturing, commercial cultivators, commercial cannabis production, and/or commercial cannabis distribution.

City of Mankato Cannabis Restrictions

NORTH
MANKATO

MANKATO

SOUTH
BEND

SKYLINE

Legend

Cannabis Restriction Locations

- SCHOOL
- DAYCARE
- PARK
- DRUG TREATMENT FACILITY

Cannabis Restriction Buffer

- 1000' SCHOOL BUFFER
- 500' DAYCARE BUFFER
- 500' PARK BUFFER
- 500' DRUG TREATMENT FACILITY BUFFER



This information is to be used for reference purposes only. The City of Mankato does not guarantee accuracy of the material contained herein and is not responsible for misuse or misinterpretation.