

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