

**ORDINANCE AMENDING BUSINESS AND LICENSING
RELATING TO REGISTRATION OF CANNABIS RETAILERS**

WHEREAS, in response to the state legislature’s creation of Chapter 342 of the Minnesota Statutes, which established state licensing of cannabis businesses, including cannabis retailers, the City of Mankato adopted Ordinance O-2024-1125-7 to regulate retail sales in the City of Mankato; and

WHEREAS, the Office of Cannabis Management (“Office”), the state agency created to license cannabis businesses changed its licensing process in response to additional legislative changes made in the 2025 Legislative Session; and

WHEREAS, because of the changes in process enacted by the Office, staff reviewed existing code as well as Minnesota State Statute and are proposing changes to the Business and Licensing section of Mankato City Code; and

WHEREAS, these changes are suggested to align with Minnesota State Statute and meet existing and foreseeable needs related to local registrations of cannabis retailers.

NOW THEREFORE BE IT ORDAINED by the City Council for the City of Mankato that Mankato City Code, former Chapter 5, Sections 5.52 are hereby amended by adding the following underlined text and deleting the following stricken-through text:

Subd. 3. Registration required

A. Pre-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 M.S.A. § 342.13.

2. If required by the State, ~~P~~potential licensees are responsible for submitting ~~making~~ all-necessary zoning applications prior to the city ~~receiving~~ responding to the request for certification from the Office. If a potential licensee fails to obtain necessary zoning approvals prior to the city receiving a request for certification, the city will inform the Office 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 to the city’s receipt of a request for certification from the Office. Building and fire code inspections will be valid for one year from completion.

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F. *Exemption.* Unless a medical cannabis combination business, ~~No~~ city-issued registration is required for a business selling medical cannabis as part of the Minnesota's Medical Cannabis Program described in M.S.A. §§ 152.22 to 152.37, or for a liquor store. A medical cannabis combination business must register with the city as a cannabis retailer, but the registration of medical combination businesses does not count towards the City's cap on cannabis retailers.

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 a qualified applicant ~~registered~~ with the Office.

2. A registration fee, in the amount provided in the city 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 either preliminary approval by the Office or the active license issued by the Office. ~~and~~ Once licensed and at each registration renewal, Applicant, will provide a written declaration ~~confirmation~~ of performing criminal history checks on applicant's employees as required by M.S.A. § 342.151.

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Subd. 5. Zoning requirements. No registration issued under this chapter shall be granted until the City confirms the site has met all zoning regulations and, if applicable, other local rules and ordinances. ~~all applicable zoning requirements are met or until all conditions for approval of the use have been satisfied.~~

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Subd. 6. Limit on registrations

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C. *Cannabis retailer businesses.* The city has established a limit of four (4) cannabis retail business registrations available at one time. A cannabis retailer operating under a Tribal compact or a Tribally issued license or registration ("tribal cannabis retailer") must register with the City. The tribal cannabis retailer registration will

not count toward the number of available city registrations. Tribal cannabis retailers must comply with any and all regulations on tribal cannabis retail locations set forth in state law or under a Tribal compact or a Tribally issued license or registration.

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BE IT FURTHER ORDAINED that the City recently completed a recodification of the City Code, and this chapter was not updated and included accordingly thus, the formatting and numbering will need to be revised to align with the new code upon inclusion into the code.

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 _____ 2025

Mayor

Attest: _____
City Clerk