

**City of South St. Paul
Dakota County, Minnesota**

Ordinance No. 1429

**AN ORDINANCE ESTABLISHING REGISTRATION REQUIREMENTS FOR
CANNABIS RETAIL BUSINESSES**

The City Council of the City of South St. Paul does ordain:

SECTION 1. ENACTMENT. South St. Paul City Code Chapter 18, Article XXII is hereby enacted as follows:

ARTICLE XXII. CANNABIS

DIVISION 1. GENERALLY

Sec. 18-726.- Purpose

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

Sec. 18-727.- Definitions and Interpretation

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

Cannabis Cultivation. A cannabis business licensed to grow cannabis plants within the approved amount of space from seed or immature plant to mature plant. harvest cannabis flower from mature plant, package and label immature plants and seedlings and cannabis flower for sale to other cannabis businesses, transport cannabis flower to a cannabis manufacturer located on the same premises, and perform other actions approved by the office.

Cannabis Retail Business. A retail location and the retail location(s) of a mezzobusinesses with a retail operations endorsement, microbusinesses with a retail operations endorsement, medical combination businesses operating a retail location, and lower-potency hemp edible retailers.

Cannabis Retailer. Any person, partnership, firm, corporation, or association, foreign or domestic, selling cannabis product to a consumer and not for the purpose of resale in any form.

Lower-potency Hemp Edible. As defined under Minn. Stat. 342.01 subd. 50.

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

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

Preliminary License Approval. OCM pre-approval for a cannabis business license for applicants who qualify under Minn. Stat. 342.17.

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

Retail Registration. An approved registration issued by the City of South St. Paul to a state-licensed cannabis retail business.

School. A public school as defined under Minn. Stat. 120A.05 or a nonpublic school that must meet the reporting requirements under Minn. Stat. 120A.24.

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

DIVISION 2. REGISTRATION

Sec. 18-728.- Registration Required

- (a) No individual or entity may operate a state-licensed cannabis retail business within South St. Paul city limits without first registering with the City of South St. Paul.
- (b) Any state-licensed cannabis retail business that sells to a customer or patient without valid retail registration shall incur a civil penalty for each violation which shall be established in the City's adopted fee schedule and shall not exceed the maximum allowed under State Statute.

Sec. 18-729.- Compliance Checks Prior to Retail Registration

- (a) Prior to issuance of a cannabis retail registration, the City of South St. Paul shall conduct a preliminary compliance check to ensure compliance with local ordinances.
- (b) Pursuant to Minn. Stat. 342, within 30 days of receiving a copy of a state license application from OCM, the City of South St. Paul shall certify on a form provided by OCM whether a proposed cannabis retail business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code.

Sec. 18-730.- Registration Fees

- (a) The City of South St. Paul shall not charge an application fee. A registration fee, as established by the City Council in the adopted fee schedule, shall be charged to applicants depending on the type of retail business license applied for.
- (b) The initial registration fee shall include the initial retail registration fee and the first annual renewal fee. A renewal registration fee shall be charged at the time of the second renewal and each subsequent renewal thereafter.
- (c) Registration fees shall not exceed the maximum amounts established in Minnesota Statute 342.11.
- (d) 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.

Sec. 18-731.- Registration Application Submittal

The City of South St. Paul shall issue a retail registration to a state-licensed cannabis retail business that adheres to the requirements of Minnesota Statute 342.22.

- (a) An applicant for a retail registration shall fill out an application form, as provided by the City of South St. Paul. Said form shall include, but is not limited to:
 - (1) Full name of the property owner and applicant;
 - (2) Address, email address, and telephone number of the applicant;
 - (3) The address and Parcel ID for the property which the retail registration is sought;
 - (4) Certification that the applicant complies with the requirements of local ordinances established pursuant to Minnesota Statute. 342.13 including evidence that a conditional use permit has been obtained.
- (b) The Applicant shall include the following with the form:
 - (1) The application fee as required in Section 18-729
 - (2) A copy of a valid state license or written notice of OCM license preapproval;

- (3) A copy of any information that was provided to OCM to obtain the license or preapproval.
- (4) A copy of the conditional use permit if one is required to start the proposed business in the applicable zoning district.
- (c) Once an application is considered complete, the City Clerk shall inform the Applicant as such, process the application fees, and forward the application to the City Council for approval or denial.
- (d) The application fee shall be non-refundable once processed.

Sec. 18-732.- Standards for Registration Approval

- (a) A state-licensed cannabis retail business application shall not be approved if the cannabis retail business would exceed the maximum number of registered cannabis retail businesses permitted under Section 18-737.
- (b) A state-licensed cannabis retail business application shall not be approved or renewed if the applicant is unable to meet the requirements of this ordinance or the zoning ordinance.
- (c) A state-licensed cannabis retail business application that meets the requirements of this ordinance and the zoning ordinance shall be approved.

Sec. 18-733.- Annual Compliance Checks

- (a) The City of South St. Paul shall complete at a minimum one compliance check per calendar year of every cannabis business to assess if the business meets age verification requirements, as required under Minnesota Statute 342.22 Subd. 4(b) and Minnesota Statute 342.24 and this ordinance.
- (b) The City of South St. Paul shall conduct at minimum one unannounced age verification compliance check at least once per calendar year.
- (c) Age verification compliance checks shall involve persons at least 17 years of age but under the age of 21 who, with the prior written consent of a parent or guardian if the person is under the age of 18, attempt to purchase adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products under the direct supervision of a law enforcement officer or an employee of the local unit of government.
- (d) Any failures under this section must be reported to the Office of Cannabis Management.

Sec. 18-734.- Location Change

A state-licensed cannabis retail business shall be required to submit a new application for registration under Section 18-730 if it seeks to move to a new location still within the legal boundaries of South St. Paul.

Sec. 18-735.- Renewal of Registration

- (a) The City of South St. Paul shall renew an annual registration of a state-licensed cannabis retail business at the same time OCM renews the cannabis retail business' license.
- (b) A state-licensed cannabis retail business shall apply to renew registration on a form established by the City of South St. Paul
- (c) A cannabis retail registration issued under this ordinance shall not be transferred.
- (d) The City of South St. Paul may charge a renewal fee for the registration starting at the second renewal, as established in the adopted fee schedule.
- (e) The application for renewal shall include those same items required under Section 18-730 for a new registration.

Sec. 18-736.- Suspension of Registration

- (a) The City of South St. Paul may suspend a cannabis retail business's registration if it violates this ordinance or the zoning ordinance, if it violates the terms of its conditional use permit, or it poses an immediate threat to the health or safety of the public. The City of South St. Paul shall immediately notify the cannabis retail business in writing of the grounds for the suspension.
- (b) The City of South St. Paul shall immediately notify the OCM in writing regarding the grounds for the suspension. OCM will provide the City of South St. Paul and cannabis business retailer a response to the complaint within seven calendar days and perform any necessary inspections within 30 calendar days.
- (c) Length of Suspension.
 - (1) The suspension of a cannabis retail business registration may be for up to 30 calendar days, unless OCM suspends the license for a longer period. The business may not make sales to customers if their registration is suspended.

- (2) The City of South St. Paul may reinstate a registration if it determines that the violations have been resolved.
- (3) The City of South St. Paul shall reinstate a registration if OCM determines that the violation(s) have been resolved.
- (4) Subject to Minn. Statute 342.22, subd. 5(e) the City of South St. Paul may impose a civil penalty as specified in the adopted fee schedule, for registration violations, not to exceed the maximum amount allowed by State Statute.

Sec. 18-737.- Limiting of Registrations

- (a) The City of South St. Paul shall limit the total number of cannabis retail businesses, mezzobusinesses with a retail operations endorsement, and microbusinesses with a retail operations endorsement to two (2).

SECTION 2. AMENDMENT. South St. Paul City Code Chapter 18, Article XXI is hereby amended as follows:

ARTICLE XXI. TOBACCO

DIVISION 1. GENERALLY

Sec. 18-673. Prohibited sales.

- (b) It shall be unlawful for any person licensed under this article to allow the sale of tobacco, tobacco products, tobacco-related devices, or electronic delivery devices:
 - (1) By the means of a vending machine unless persons under 21 are at all times prohibited from entering the licensed establishment;
 - (2) By means of self-service merchandising whereby the customer does not need to make a verbal or written request to an employee of the licensee in order to receive the tobacco, tobacco product or tobacco-related device and where there is not a physical exchange of the tobacco, tobacco product or tobacco-related device between the licensee or the licensee's employee and the customer. All tobacco, tobacco-related products and tobacco-related devices shall be stored behind the counter;
 - (3) By means of loosies as defined in section 18-671;
 - (4) Containing opium, morphine, jimson weed, bella donna, strychnos, cocaine, ~~marijuana~~, or other deleterious, hallucinogenic, toxic, or controlled substances except nicotine and other substances found naturally in tobacco or added as part of an otherwise lawful manufacturing process. Cannabis retail sales are regulated by State Statute, Chapter 18 Article XXII of the City Code, and Section 118-278 of the City Code; or
 - (5) By any other means, to any other person, in any other manner or form prohibited by federal, state, or local law, ordinance, or other regulation.

SECTION 3. SUMMARY PUBLICATION. Pursuant to Minnesota Statutes Section 412.191, in the case of a lengthy ordinance, a summary may be published. While a copy of the entire ordinance is available without cost at the office of the City Clerk, the following summary is approved by the City Council and shall be published in lieu of publishing the entire ordinance:

This ordinance establishes registration requirements for cannabis businesses.

SECTION 4. EFFECTIVE DATE. This ordinance shall become effective upon publication.

Approved: December 16, 2024

Published: January 3, 2025

/s/: Deanna Werner
City Clerk