

**CITY OF MANKATO
STATE OF MINNESOTA**

**ORDINANCE AMENDING CHAPTER 10 LAND USE (ZONING)
RELATING TO CANNABIS**

The City of Mankato hereby ordains that the City Code of Ordinances, Chapter 10, Land Use (Zoning), is hereby amended as follows:

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

Sec. 10.02. Definitions.

Subd. 4. 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. 25. 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. Intoxicating Hemp Product. 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 Minnesota Statutes, 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 and set forth herein in subd. 95. 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.

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 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. 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. 10.46. 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 and sales of low potency edibles and accessory sales of Low Potency Edibles.

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. 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.

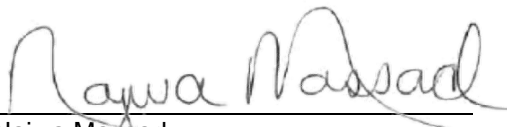
- C. **Prohibited Home Occupations.** The following uses, by the nature of the investment or operation, have a pronounced tendency to rapidly increase beyond the limits permitted for home occupations. The following uses, therefore, are not permitted as home occupations:

- 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.

RECODIFICATION IN PROCESS. The city of Mankato is currently in the process of updating and recodifying its City Code, with this, the formatting of the above will be revised once this process is complete.

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 25th day of November 2024.



Najwa Massad
Mayor

Attest: Renae Kopischke
Renae Kopischke, MMC
City Clerk