

CITY OF WAYZATA
HENNEPIN COUNTY, MINNESOTA
ORDINANCE NO. 845

**AN ORDINANCE AMENDING PART V (MUNICIPAL LICENSES) AND PART IX
(ZONING ORDINANCE) OF THE WAYZATA CITY CODE
TO REGULATE CANNABIS BUSINESSES**

WHEREAS, City staff, working with the City Council and Planning Commission, has drafted certain amendments to the Wayzata City Code based on the model ordinance and guidance from the Minnesota Office of Cannabis Management to regulate cannabis businesses in the City (the “Amendments”);

WHEREAS, the Planning Commission reviewed the Amendments as they pertain to the Zoning Ordinance, and recommended their approval and adoption as detailed in the Report and Recommendation of the Planning Commission, dated November 16, 2024; and

WHEREAS, City Council concurs with and hereby adopts the findings and recommendation of the Report and Recommendation of the Planning Commission on the Amendments as they pertain to Zoning Ordinance, and the additional findings set forth in Section 525.01 of the Amendments themselves as they pertain to all of the Amendments.

NOW THEREFORE, THE CITY OF WAYZATA ORDAINS:

Section 1. Amendments to Part V. Part V of the Wayzata City Code (Municipal Licenses) is hereby amended to include a new Chapter to read in its entirety as:

CHAPTER 525 CANNABIS BUSINESSES

525.01 Findings and Purpose.

The City makes the following legislative findings

- A. The purpose of this ordinance, codified as chapter 525 of City Code, is to implement the provisions of Minnesota Statutes, chapter 342, which authorizes the City to protect the public health, safety, welfare of Wayzata residents by regulating cannabis businesses within the legal boundaries of the City.
- B. The City finds and concludes that the proposed provisions are appropriate and lawful regulations for Wayzata, that this ordinance will promote the community's interest in reasonable stability and safety, and that the proposed provisions are in the public interest and for the public good.

525.02 Authority & Jurisdiction.

The City has the authority to adopt this ordinance pursuant to:

- A. Minn. Stat. Sec. 342.13(c), regarding the authority of a local unit of government to adopt reasonable restrictions of the time, place, and manner of the operation of a cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses.
- B. Minn. Stat. Sec. 342.22, regarding the local registration and enforcement requirements of state-licensed cannabis retail businesses and lower-potency hemp edible retail businesses.
- C. Minn. Stat. Sec. 152.0263, Subd. 5, regarding the use of cannabis in public places.
- D. Minn. Stat. Sec. 462.357, regarding the authority of a local authority to adopt zoning ordinances.
- E. This ordinance shall be applicable to all areas within the legal boundaries of Wayzata.

525.03 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.

525.04 Enforcement.

The City is responsible for the administration and enforcement of this ordinance. Any violation of the provisions of this ordinance or failure to comply with any of its requirements constitutes a misdemeanor and is punishable as defined by law. Violations of this ordinance can occur regardless of whether or not a permit is required for a regulated activity listed in this ordinance.

525.05 Definitions.

Unless otherwise noted in this chapter, words and phrases contained in Minn. Stat. Sec. 342.01 and the rules promulgated pursuant to state law, shall have the same meanings in this ordinance.

- A. 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.
- B. Cannabis Retail Businesses: 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/excluding) lower-potency hemp edible retailers.
- C. 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.
- D. Daycare: A location licensed with the Minnesota Department of Human Services to provide the care of a child in a residence outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.
- E. Lower-potency Hemp Edible: As defined under Minn. Stat. Sec. 342.01 subd. 50.
- F. Office of Cannabis Management: Minnesota Office of Cannabis Management, referred to as "OCM" in this ordinance.
- G. 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.

- H. Preliminary License Approval: OCM pre-approval for a cannabis business license for applicants who qualify under Minn. Stat. Sec. 342.17.
- I. 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.
- J. Residential Treatment Facility: As defined under Minn. Stat. Sec. 245.462 subd. 23.
- K. Retail Registration: An approved registration issued by the City to a state licensed cannabis retail business.
- L. School: A public school as defined under Minn. Stat. Sec. 120A.05 or a nonpublic school that must meet the reporting requirements under Minn. Stat. Sec. 120A.24.
- M. State License: An approved license issued by the State of Minnesota's Office of Cannabis Management to a cannabis retail business.

525.06 Consent to Registering of Cannabis Businesses.

- A. No individual or entity may operate a cannabis retail business within the City without first obtaining a license from OCM and registering with the City.
- B. Any cannabis retail business that sells to a customer or patient without valid retail registration shall incur a civil penalty of (up to \$2,000) for each violation.

525.07 Compliance Checks Prior to Retail Registration.

- A. Prior to issuance of a cannabis retail business registration by the City or designee, the City shall conduct a preliminary compliance check to ensure compliance with local ordinances.
- B. Pursuant to Minn. Stat. Sec. 342, within 30 days of receiving a copy of a state license application from OCM, the City shall certify on a form provided by OCM whether a proposed cannabis retail business complies with the City's zoning ordinance and, if applicable, whether the proposed business complies with the state fire code and building code.

525.08 Registration & Application Procedure.

- A. Fees.
 - 1. The City shall not charge an application fee.
 - 2. A registration fee, as established in the City fee schedule, shall be charged to applicants depending on the type of retail business license applied for.
 - 3. An initial retail registration fee shall not exceed \$500 or half the amount of an initial state license fee under Minn. Stat. Sec. 342.11, whichever is less. The initial registration fee shall include the initial retail registration fee and the first annual renewal fee.
 - 4. Any renewal retail registration fee imposed by Wayzata shall be charged at the time of the second renewal and each subsequent renewal thereafter.
 - 5. A renewal retail registration fee shall not exceed \$1,000 or half the amount of a renewal state license fee under Minn. Stat. Sec. 342.11, whichever is less.

6. 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.
- B. Application Submittal. The City shall issue a retail registration to a state-licensed cannabis retail business that adheres to the requirements of Minn. Stat. Sec. 342.22 and this ordinance.
1. An applicant for a retail registration shall fill out an application form, as provided by the City. Said form must include the following information:
 - a) Full name of the property owner and applicant;
 - b) Address, email address, and telephone number of the applicant;
 - c) The address and parcel ID for the property which the retail registration is sought;
 - d) Certification that the applicant complies with the requirements of local ordinances established pursuant to Minn. Stat. Sec. 342.13.
 2. The applicant must include the following with the form:
 - a) the applicable registration fee;
 - b) a copy of a valid state license or written notice of OCM license preapproval;
 3. Once an application is deemed complete by the City, the City Clerk shall inform the applicant as such, process the application fees, and forward the application to the City Manager for approval or denial.
 4. The application fee shall be non-refundable once the application has been processed.
- C. Application Approval.
1. 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 525.11 of this ordinance.
 2. 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.
 3. A state-licensed cannabis retail business application that meets the requirements of this ordinance shall be approved.
- D. Annual Compliance Checks.
1. The City or designee shall complete at minimum one compliance check per calendar year of every cannabis business in the City to assess if the business meets age verification requirements, as required under Minn. Stat. Sec. 342.22 Subd. 4(b) and Minn. Stat. Sec. 342.24 and this ordinance.
 2. The City or designee shall conduct at minimum one unannounced age verification compliance check at least once per calendar year at every cannabis business in the City.
 3. 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 City.
 4. Any failures under this section must be reported to the Office of Cannabis Management.
- E. Location Change.

A state-licensed cannabis retail business shall be required to submit a new application for registration under Section 525.8.B of this ordinance if it seeks to move to a new location within the legal boundaries of Wayzata.

525.09 Renewal of Registration.

- A. Purpose and applicability.
 - 1. The City shall renew an annual registration of a state-licensed cannabis retail business at the same time OCM renews the cannabis retail business' license.
 - 2. A state-licensed cannabis retail business shall apply to renew registration on a form established by the City.
 - 3. A cannabis retail registration issued under this ordinance may not be transferred.
- B. Renewal Fees. The City may charge a renewal fee for a registration under this ordinance starting at the second renewal, as established in the City's fee schedule.
- C. Renewal Application. An application for renewal of a retail registration shall include the items required under Section 525.8.B of this ordinance.

525.10 Suspension of Registration.

- A. When Suspension of Registration is Warranted.

The City may suspend a cannabis retail business's registration if it violates any part of City Code or poses an immediate threat to the health or safety of the public. The City shall immediately notify the cannabis retail business in writing for the grounds for the suspension.
- B. Notification to OCM.

The City shall immediately notify the OCM in writing the grounds for the suspension. OCM will provide the City and the cannabis business retailer a response to the notice 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 may reinstate a registration if it determines that the violations have been resolved.
 - 3. The City shall reinstate a registration if OCM determines that the violation(s) have been resolved.
- D. Civil Penalties.

Subject to Minn. Stat. Sec. 342.22, subd. 5(e) the City may impose a civil penalty, as specified in the City's Fee Schedule, for registration violations, not to exceed \$2,000.

525.11 Limits on Number of Registrations.

- A. No more than one non-municipal liquor dispensary cannabis retail businesses may be registered in the City.
- B. If at any time Hennepin County has one active cannabis retail businesses registration for every 12,500 residents in the County, the City shall not register any state-licensed cannabis retail businesses.

525.12 Minimum Buffer Requirements.

- A. No cannabis business may operate within 1,000 feet of a school.
- B. No cannabis business may operate within 500 feet of a day care.
- C. No cannabis business may operate within 500 feet of a residential treatment facility.
- D. No cannabis business may operate within 500 feet of an attraction within a public park that is regularly used by minors, including a playground or athletic field.
- E. No cannabis retail business may operate within 500 feet of another cannabis retail business.
- F. Pursuant to Minn. Stat. Sec. 462.357 subd. 1e, nothing in this ordinance shall prohibit an active cannabis business or a cannabis business seeking registration from continuing operation at the same site if a school/daycare/residential treatment facility/attraction within a public park that is regularly used by minors moves within the minimum buffer zone.

525.13 Hours of Operation.

Registered cannabis businesses may operate only between the hours of 10 a.m. and 9 p.m.

525.14 License or Permit Required for Temporary Cannabis Events.

Temporary Cannabis Events for which a license has been granted by OCM must also obtain a Special Event Permit from the City under Ch. 514.

525.15 Lower-Potency Hemp Edibles.

The sale and use of Lower-Potency Hemp Edibles products shall comply with the provisions of City Code Chapter 722. No separate approval or license is required for Lower-Potency Hemp Edibles products is required under Chapter 525.

525.16 Public Places.

The use and possession of cannabinoid products in public places shall comply with the restrictions in City Code Chapter 714.

Section 2. Amendment to Section 902.02. Section 902.02 (Definitions) of the Wayzata Zoning Ordinance is hereby amended to include the following new definition:

“Retail Sales, Cannabis” 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.

Section 3. Amendment to Section 937.02. Section 937.02 of the Wayzata Zoning Ordinance (Use Table) is hereby amended to include the following new Commercial District Use :

Commercial Districts Uses

	C-1A	C-1	C-1B	C-2	C-3	C-3A	C-4A	C-4	C-4B
Retail Sales, Cannabis				<u>P</u>	<u>P</u>	<u>P</u>			

Section 4. Amendment to Section 937.03. Section 937.03 of the Wayzata Zoning Ordinance (Permitted Uses with Restrictions) is hereby amended to include the following new subsection C (with current subsection C redesignated as subsection D):

C. Retail sales, cannabis.

1. The use must comply with the standards of Chapter 525 of City Code and all other applicable provisions of this Ordinance and state law.

Section 5. Effective Date. This Ordinance will become effective upon passage and publication.

Adopted by the City Council this 7th day of January, 2024.

Andrew Mullin
Mayor

ATTEST:

Jeffrey Dahl
City Manager

First Reading: December 17, 2024
 Second Reading: January 7, 2025
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