

**CITY OF OAKDALE
ORDINANCE NO. 938**

**AMENDING THE CODE OF ORDINANCES FOR THE CITY OF OAKDALE, CHAPTER 9, TO
ESTABLISH ARTICLE 18 “CANNABIS AND HEMP BUSINESS REGULATIONS”**

The City Council of the City of Oakdale ordains:

Section 1. The Oakdale Code of Ordinances, Chapter 9, Article 18 is established to read as follows:

**ARTICLE 18
CANNABIS AND HEMP BUSINESS REGULATIONS**

Sec. 9-182 PURPOSE AND FINDINGS.

The City of Oakdale makes the following legislative findings: The purpose of this ordinance is to protect the public health, safety, and welfare in the City by implementing regulations pursuant to Minnesota Statutes, Chapter 342 related to cannabis and hemp businesses within the City. The City finds and concludes that these regulations are appropriate and lawful, that the proposed amendments will promote the community's interest in reasonable stability in the development and redevelopment of the City for now and in the future, and that the regulations are in the public interest and for the public good.

Sec. 9-183 DEFINITIONS.

The following words, terms, and phrases, when used in this Chapter, shall have the meanings ascribed to them in this Chapter, except where the context clearly indicates a different meaning:

APPLICANT means an entity with a license issued by the OCM that is applying for an initial registration or for registration renewal.

THE ACT means Minnesota Statutes, Chapter 342, as is may be amended from time to time.

CANNABIS BUSINESS shall have the definition in Minnesota Statutes, Section 342.01.

CANNABIS RETAILER means every retail cannabis business that is licensed under the Act and required to register with the City under Minnesota Statutes, Section 342.22.

COMPLIANCE CHECKS means the system the City uses to investigate and ensure that those authorized to sell licensed products are following and complying with the requirements of State law and this article. Compliance checks will involve the use of persons under the age of 21 as authorized by this article. Compliance checks also means the use of persons under the age of 21 who attempt to purchase licensed products for educational research and training purposes as authorized by State and Federal law. Compliance checks may also be conducted by other units of government for the purpose of enforcing appropriate Federal, State, or local laws and regulations relating to licensed products.

HEMP BUSINESS shall have the definition in Minnesota Statutes, Section 342.01.

LOWER-POTENCY HEMP RETAILER means every lower-potency hemp edible retail business that is licensed under the Act and required to register with the City under Minnesota Statutes, Section 342.22.

MEDICAL CANNABIS COMBINATION BUSINESS shall have the definition in Minnesota Statutes, Section 342.01.

OCM means the Office of Cannabis Management.

PARK FEATURE means an attraction within a public park that is regularly used by minors, including, but certainly not limited to, a playground or athletic field.

POTENTIAL LICENSEE means an applicant that has not received a license from the OCM.

RESIDENTIAL TREATMENT FACILITY means any facility licensed or regulated by the Minnesota Department of Human Services that provides 24-hour-a-day care, lodging, or supervision outside a person's home and which also provides chemical dependency or mental health services.

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

Sec. 9-184 PRE-LICENSE CERTIFICATION OF CANNABIS BUSINESSES.

- A. The City Administrator, 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.
- B. Potential licensees are responsible, prior to the City receiving a request for zoning certification, for making all necessary zoning applications and requesting and scheduling any inspections related to building and fire code. Potential licensees must contact the City to have inspections conducted prior to the City receiving the request for certification from the OCM. Building and fire code inspections will be valid for 1 year from completion. If a potential licensee fails to obtain necessary zoning approvals or have any building or fire code inspection complete 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.

Sec. 9-185 PROHIBITED LOCATION.

No Cannabis Business may be located within 1,000 feet of a school, or 500 feet of a licensed day care, park feature, or a residential treatment facility.

Sec. 9-186 REGISTRATION OF RETAILERS.

Retail Registration Required. Before making retail sales to customers or patients, all Cannabis Retailers and Lower-Potency Hemp Retailers must register with the City. Making retail sales to customers or patients without an active registration is prohibited.

Sec. 9-187 CANNABIS RETAILER REGISTRATION LIMITS.

A. Cap on number of Cannabis Retailer registrations:

1. The City will issue one registration for every 12,500 residents in the City, except that the City will not issue any registrations if there is one registration per 12,500 residents in Washington County.
2. The number of registrations available will be calculated by dividing the State demographer's estimate of the City's population.
3. The City will update the number of registrations available based on the most recent data available from the State demographer on January 1 and June 1 each year.
4. The number of registrations in the County will be based on the number of registrations in the County on the day the application is received.
5. If the number of registrations available within the City decreases based on the County reaching the one per 12,500 threshold, or the City's population decreases below a previous threshold, businesses with current registrations will be allowed to maintain and renew their registrations, but no new registration will be issued.
6. Registrations issued to businesses with a license preapproval will count toward the City's registration limit.

B. The following businesses are not subject to the cap on registration under Paragraph A above:

1. Businesses operating under a tribal compact entered into under Minnesota Statutes, Section 3.9224 or 3.9228;
2. Tribally-issued licenses and registrations;
3. Lower-Potency Hemp Retailer;
4. Municipal cannabis store; and
5. Medical cannabis combination businesses.

Sec. 9-188 PROCESSING REGISTRATIONS.

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 Section 9-189 are received by the City and include all required information. The date a certification under Section 9-184 is issued will have no impact on the

applicant's registration processing and is not an indication that any cap on registrations has not been met.

Sec. 9-189 APPLICATION FOR REGISTRATION.

All applicants for initial registration or renewal registration must submit a registration application or renewal form provided by the City. The form may be amended from time to time by the City Administrator, but must include or be accompanied by:

- A. Name of the property owner;
- B. Name and date of birth of the applicant;
- C. Address and parcel ID for the property for which the registration is sought;
- D. Certification that the applicant complies with the requirements of this Article;
- E. Fee Required. At the time of initial application, and prior to the City's consideration of any renewal application, each Cannabis Retailer must pay, as established in the City's Fee Schedule, the following fees:
 - 1. At the time of initial registration:
 - i. An initial registration fee. The initial registration fee will pay for the costs of registration and the cost of the first year of operation.
 - ii. The renewal fee for the second year of operation.
 - 2. At the time of the first annual renewal (prior to the second year of operation), no fee will be due.
 - 3. At the time of the second annual renewal, and each year thereafter, the renewal fee must be paid prior to the City issuing any renewal registration.
 - 4. Initial registration fees and renewal registration fees are nonrefundable.
- F. A copy of a valid state license or written notice of OCM license preapproval;
- G. Proof of taxes, assessments, utility charges, or other financial claims of the City and State are current.

Sec. 9-190 PRELIMINARY COMPLIANCE CHECK.

Initial registration shall not be issued unless, prior to opening for operations following approval of an application for initial registration, the applicant has passed a preliminary compliance check conducted by the City to ensure compliance with this Article and any other regulations established pursuant to Minnesota Statutes, Section 342.13.

Sec. 9-191 BASIS FOR DENIAL.

The City shall not issue a registration or renewal for any Cannabis Retailer or Lower-Potency Hemp Retailer if any of the following conditions are true:

- A. The applicant has not submitted a complete application.
- B. The applicant is under the age of 21.
- C. The applicant does not comply with the requirements of this Article.
- D. The applicant does not comply with applicable zoning and land use regulations.
- E. If applicable, the applicant is found to not comply with the requirements of the Act or this Article at the preliminary compliance check.
- F. If applicable, the maximum number of registrations, pursuant to Section 9-186 have been issued by the City or within the County.
- G. The applicant does not have a valid license from the OCM.

Sec. 9-192 ISSUANCE OF REGISTRATION OR RENEWAL.

The City shall issue the registration or renewal if the applicant meets the requirements of this Article, including that none of the reasons for denial in this Article are true.

Sec. 9-193 REGISTRATION NONTRANSFERABLE.

A registration is not transferable to another person, entity, or location.

Sec. 9-194 ENFORCEMENT.

- A. Generally. The City Council may impose a fine or suspend a registration under this Article on a finding that the registered business has failed to comply with an applicable statute, regulation, or ordinance, including a violation of this Article.
- B. Notice and Right to Hearing. Prior to imposing a fine or suspending any registration under this Article, the City shall provide the registered business with written notice of the alleged violations and inform the registered business of its right to a hearing on the alleged violation.
 - 1. Notice shall be delivered in person or by regular mail to the address of the registered business and shall inform the registered business of its right to a hearing. The notice will indicate that a response must be submitted within ten (10) days of receipt of the notice, or the right to a hearing will be waived.
 - 2. The registered business will be given an opportunity for a hearing before the City's hearing officer before final action to fine or suspend a registration. Provided, the registered business has submitted a written application for

appeal within 10 days after the notice was served. The hearing officer shall give due regard to the frequency and seriousness of the violations, the ease with which such violations could have been cured or avoided and good faith efforts to comply and shall issue a decision to fine or suspend the registration only upon written findings. Within 10 days of the hearing officer's order, the decision may be appealed to the City Council.

3. If no request for a hearing is received within ten (10) days following the service of the notice, the matter shall be submitted to the City Council for imposition of the fine or suspension.
- C. **Emergency.** If, in the discretion of the City, a registered business poses an imminent threat to the health or safety of the public, the City may immediately suspend the registration and provide notice of the right to hold a subsequent hearing as prescribed in (B)(2) of this section.
- D. **Reinstatement.** The City may reinstate a registration if it determines that the violations have been resolved. The City shall reinstate the registration if the OCM determines the violations have been resolved.

Sec. 9-195 PENALTIES.

- A. **Misdemeanor:** Any person who violates this Article is guilty of a misdemeanor and, upon conviction, is subject to a fine and imprisonment as prescribed by State law. Each day each violation continues or exists, constitutes a separate offense.
- B. **Administrative fine:** Any person who violates this Article is subject to administrative fines in an amount set in the City Fee Schedule. Each day any violation continues or exists constitutes a separate offense.
- C. Violation of this Article shall be grounds for enforcement against any business license issued by the City of Oakdale.

Sec. 9-196 CANNABIS RETAILER OPERATING REGULATIONS.

- A. **Compliance Checks.** The City shall complete at minimum one compliance check per calendar year of every registered business to assess if the business meets age verification requirements, as required under Minn. Stat. 342.22 Subd. 4(b) and this ordinance. Any failures under this section are a basis for enforcement action and must be reported to the OCM.
- B. **Hours of Operation.** Cannabis businesses are limited to retail sale of cannabis, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to between the hours of 8:00 a.m. and 10:00 p.m., Monday through Saturday, and between the hours of 10:00 a.m. and 9:00 p.m. on Sunday.

- C. Display of License and Registration. All licenses and registrations must be posted and displayed in plain view of the general public on the premises.
- D. Advertising. Signage is subject to the City's sign code, Chapter 25, Article 19, with the addition of the following: Cannabis businesses are permitted to erect up to two fixed signs on the exterior of the building or property of the business.

Sec. 9-197 LOWER-POTENCY HEMP RETAILER OPERATING REGULATIONS.

- A. Compliance Checks. The City shall complete at minimum one compliance check per calendar year of every registered business to assess if the business meets age verification requirements, as required under Minn. Stat. 342.22 Subd. 4(b) and this ordinance. Any failures under this section are a basis for enforcement action and must be reported to the OCM.
- B. Display of License and Registration. All licenses and registrations must be posted and displayed in plain view of the general public on the premises.
- C. Advertising. Signage is subject to the City's sign code, Chapter 25, Article 19.

Section 2. Incorporation. City staff is authorized and directed to update the table of contents, reformat this Ordinance, and to make such other non-substantive changes as are necessary to incorporate the amendments adopted by this Ordinance into the City of Oakdale Code of Ordinances.

Section 3. Effective Date. This Ordinance shall take effect and be in full force on January 1, 2025, after its adoption and publication, as provided by law.

Voting For: Mayor Zabel, Council Members Ingebrigtson, Moore, Morcomb, and Willenbring;

Voting Against: None.

Adopted this 26th day of November, 2024 by the Oakdale City Council.



Kevin Zabel, Mayor

Attest:


Sara Ludwig, City Clerk

Posted: November 16, 2024

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