

CITY OF OAK GROVE
ORDINANCE NO. 24-05

**AN ORDINANCE ESTABLISHING REGULATIONS RELATED TO CANNABIS AND
HEMP BUSINESSES IN THE CITY OF OAK GROVE**

THE CITY COUNCIL OF THE CITY OF OAK GROVE, ORDAINS AS FOLLOWS:

SECTION 1. Chapter 12 of the Oak Grove, Minnesota, City Code is hereby amended as follows by adding a new Article IX Cannabis and Hemp Businesses:

ARTICLE IX. – CANNABIS AND HEMP BUSINESSES

12-350. - Findings and Purpose

The city of Oak Grove makes the following legislative findings: The purpose of this article is to protect the public health, safety, 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.

12.351. - Definitions

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

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

The Act means Minnesota Statutes, Chapter 342, as it may be amended from time to time.

Cannabis Business has the same meaning as defined in Minnesota Statutes, section 342.01.

Cannabis Retailer means a business with a cannabis retailer license or cannabis retail endorsement from OCM.

Retailer means every business that is licensed under the Act and required to register with the city under Minnesota Statutes, section 342.22. Including cannabis businesses and lower-potency hemp edible retailers.

OCM means the Minnesota Office of Cannabis Management.

Lower-potency hemp edible retailer has the same meaning as defined in Minnesota Statutes, section 342.01.

Lower-potency hemp edible manufacturer has the same meaning as defined in Minnesota Statutes, section 342.01.

Potential Licensee means an entity that has not received a license from the OCM and is seeking a pre-license certification.

School means a public school, as defined in section 120A.05, subdivisions 9, 11, 13, and 17, or a nonpublic school, or religious organization in which a child is provided instruction in compliance with this section and section 120A.24, but does not include a home school.

Day Care means a location licensed with the Minnesota Department of Human Services to provide the care of a child in a residence or other facility outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day

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.

Park Feature means an attraction within a public park that is regularly used by minors, including a playground or athletic field. Park features shall be designated on a separate map adopted by the city council by resolution.

12.352. - Pre-License Certification of Cannabis Businesses

- (a) The city administrator is authorized to certify whether a proposed cannabis business complies with the city's zoning ordinances, this article, and if applicable, with state fire code and building code pursuant to Minnesota Statutes, section 342.13.
- (b) Potential licensees are responsible for obtaining all necessary zoning approvals prior to the city receiving the request for certification from the OCM. If a potential licensee fails to obtain necessary zoning approvals prior to the city receiving a request for zoning certification, the city will inform the OCM that the potential licensee does not meet zoning and land use laws.
- (c) 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 the city's receipt of a request for certification from the OCM. Building and fire code inspections will be valid for 1 year from completion.

12.353. - Retailer Registration

- (a) *Retail Registration Required.* Before making retail sales to customers or patients, a Retailer must register with the city. Making retail sales to customers or patients without an active registration is prohibited. Subject to Minn. Stat. 342.22, subd. 5(e) the city may impose a civil penalty, as specified in the city's Fee Schedule, for making a sale to a customer or patient without a valid registration from the city and a valid license from the OCM.

(b) *Cannabis Retailer Registration Limits*

- (1) The city will issue one cannabis retailer registration, except that the city will not issue any retail registrations if there is one registration per 12,500 residents in Anoka County. The number of registrations in the County will be determined on the day the city receives an application for a registration.
- (2) Registrations issued to businesses with a license preapproval will count toward the city's registration limit.
- (3) Businesses operating under a tribal compact entered into under Minnesota Statutes, section 3.9224 or 3.9228 and tribally issued licenses and registrations are counted towards the number of registrations within the county.

(c) *Processing Registrations*

- (1) Applications will be processed on a first-come, first-served basis based on the city receiving a complete application. Applications will be considered complete when all materials in Section 12.353 (d) are received by the city and include all required information and the required fee described in Section 12.353 (d) (v) is received.
- (2) The date a certification under Section 12.352 is issued will have no impact on the applicant's registration processing.

(d) *Application.* The applicant 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:

- (1) Name of the property owner
- (2) Name of the applicant
- (3) Address and parcel ID for the property for which the registration is sought
- (4) Certification that the applicant complies with the requirements of this Article
- (5) *Fee Required.* At the time of initial application, and prior to the city's consideration of any renewal application, each retailer must pay, as established in the city's fee schedule, the following fees:
 - i. At the time of initial registration, an initial registration fee and the renewal fee for the second year of operation are due.
 - ii. At the time of the first annual renewal (prior to the second year of operation), no fee will be due.

- iii. 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.
- iv. Initial registration fees and renewal registration fees are nonrefundable.
- (6) Proof of taxes, assessments, utility charges or other financial claims of the city of the state are current for the property and applicant.
- (7) A copy of a valid state license or written notice of OCM license preapproval.
- (e) *Preliminary Compliance Check.* Prior to issuing any retail registration, the city shall conduct a preliminary compliance check to ensure compliance with this article and any other regulations established pursuant to Minnesota Statutes, section 342.13.
- (f) *Reasons for Denial.* The city shall not issue a registration or renewal if any of the following conditions are true:
 - (1) The applicant has not submitted a complete application.
 - (2) The applicant does not comply with the requirements of this article.
 - (3) The applicant does not comply with applicable zoning and land use regulations.
 - (4) The applicant is found to not comply with the requirements of the Act or this article at the preliminary compliance check.
 - (5) The applicant is not current on all property taxes and assessments at the location where the retailer is located.
 - (6) The maximum number of registrations, pursuant to Section 12.353 (b), have been issued by the city or the County.
 - (7) The applicant does not have a valid license from the OCM.
- (g) *Issuing the Registration or Renewal.* The city shall issue the registration or renewal if the Retailer meets the requirements of this article, including that none of the reasons for denial in Section 12.353 (f) are true.
- (h) *Nontransferable.* A registration is not transferable to another person, entity, or location.
- (i) *Registration Enforcement.*
 - (1) *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 the requirements of this article or any applicable statute or regulation.
 - (2) *Notice and Right to Hearing.* Prior to imposing a fine or suspending any registration

any registration under this chapter, the city shall provide the registered business with written notice of the alleged violations and inform the registered business of his or her right to a hearing on the alleged violation.

- i. 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) business days of receipt of the notice, or the right to a hearing will be waived.
 - ii. The registered business will be given an opportunity for a hearing before the City Administrator, or designated hearing officer, before final action to fine or suspend a registration. Provided, the registered business has submitted a written application for appeal within 10 business days after the notice was served. The City Administrator, or designated 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 business days of the order of the City Administrator, or designated hearing officer, the decision may be appealed to the city council.
 - iii. 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 of the registration.
- (3) *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 part (2) of this section.
- (4) *Reinstatement.* The city may reinstate a registration if it determines that the violations have been resolved. The city shall reinstate a registration if the OCM determines the violations have been resolved.

12.354. - Setbacks from Certain Properties

- (a) The city prohibits the establishment and operation of a cannabis business within the following buffer zones:
 - 1,000 from a school
 - 500 feet from a day care
 - 500 feet from a residential treatment facility
 - 500 feet from an attraction with a park feature
- (b) The city prohibits the establishment and operation of a lower-potency hemp edible retailer within the following buffer zones:
 - 1,000 from a school

- 500 feet from a day care
- 500 feet from a residential treatment facility
- 500 feet from an attraction with a park feature

(c) The setbacks in this section will be measured from the potential licensee's proposed business location based on the location of schools, day cares, residential treatment facilities, and park features on the date the city receives the request from the OCM for certification pursuant to section 12.352. Buffer distances will be measured from in a straight line from the closest point of the property line of the parcel upon which the cannabis business or hemp business is located to the property line of the parcel upon which a school, day care, residential treatment facility, or park feature is located.

Nothing in this section shall prohibit a cannabis business or hemp business from continuing to operate at the same location if a school, day care, residential treatment facility, or park feature establishes within the setback.

12.355. - Lower-Potency Hemp Edible Retailer Location Requirements

A registration or renewal for a lower-potency hemp edible retailer shall only be issued for an applicant that also holds an active license: issued by the Minnesota Board of Chiropractic Examiners; to sell tobacco products; to operate an exclusive liquor store; or an on-sale license pursuant to Minn. Stat. 340A.

12.356. - Compliance Checks

- (a) 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 provided in part 2 of this section, and any applicable cannabis or hemp regulations adopted by the city.
- (b) The city shall conduct a minimum of at least one unannounced age verification compliance check per calendar year. 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.
- (c) Any failures under this section are a basis for enforcement action and must be reported to the OCM.

12.357. - Hours of Operation.

Cannabis Retailers may only make retail sales of cannabis, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products between the hours of 9:00am-10:00pm Monday-Saturday and 10:00am-10:00pm on Sunday.

12.358. - Advertising.

Signage for cannabis businesses and hemp businesses is subject to the city's sign code, Minn. Stat. 342.64, and all other applicable provisions of the Act.

12.359. - Cannabis Business Complaints

In addition to the registration enforcement process in Section 12.353 (i), the City Administrator is authorized to make complaints to the OCM related to any cannabis business the city believes is in violation of the Act or the administrative rules adopted pursuant thereto. The city administrator is also authorized to file a complaint against a cannabis business that poses an immediate threat to the health or safety of the public and request immediate action by the OCM.

12.360. - Temporary Cannabis Events

- (a) *Permit Required.* A permit is required to be issued and approved by the city prior to holding a temporary cannabis event held by a licensed cannabis event organizer, as defined and provided for in Minnesota Statutes, Chapter 342.
- (b) *Registration & Application Procedure.* A registration fee, as established in the city's fee schedule, shall be charged to applicants for temporary cannabis event permits.
- (c) *Application Submittal & Review.* An applicant must submit an application for city approval of a temporary cannabis event permit on a form provided by the city clerk. The application may be amended from time to time but shall include or be accompanied by:
 - (1) Full name of the property owner and applicant;
 - (2) Address, email address, and telephone number of the applicant;
 - (3) the application fee as established in the city's fee schedule;
 - (4) a copy of the OCM cannabis event license application, submitted pursuant to Minn. Stat. 342.39 subd. 2. The application shall be submitted to the city clerk, or other designee for review.
- (d) The application shall be submitted to the city clerk, or other designee for review. The application will be considered complete when the application form is submitted with all of the required information included and application fee paid. If the submitted application is incomplete, the city clerk shall return the application to the applicant with the notice of deficiencies.
- (e) Once an application is considered complete, city shall inform the applicant as such, process the application fees, and forward the application to the city council for approval or denial.
- (f) The application fee shall be non-refundable once processed.

- (g) A request for a temporary cannabis event permit that meets the requirements of this section shall be approved.
- (h) A request for a temporary cannabis event that does not meet the requirements of this Section shall be denied. The city administrator shall notify the applicant of the standards not met and basis for denial.
- (i) Temporary cannabis events are prohibited on city property.
- (j) Temporary cannabis events shall only be held between the hours of 10:00am and 9:00pm.
- (k) Pursuant to Minnesota Statutes, section 342.40, subd. 8, the city prohibits on-site consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or any combination of those items, as those terms are defined in the act and as provided in Minn. Stat. 342.40, subd. 8.

12.361. - Penalties Administration and Enforcement

Any violation of the provisions of this article or failure to comply with any of its requirements constitutes a misdemeanor and is punishable as defined by law. Each day each violation continues or exists, constitutes a separate offense. Violations of this ordinance can occur regardless of whether or not a permit is required for a regulated activity listed in this ordinance.

Violation of this article shall be grounds for enforcement against any business license issued by the city of Oak Grove.

12.362. - Severability

If any section, clause, provision, or portion of this article is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of this article shall not be affected thereby

SECTION 2. Section 101-3 Definitions, of the Oak Grove, Minnesota, City Code is here by amended by adding the following definitions in their appropriate location by alphabetical order:

Cannabis cultivation business means a business with a cannabis cultivator license, medical cannabis cultivator license, or cultivation endorsement from the State of Minnesota Office of Cannabis Management.

Cannabis delivery business means a business with a cannabis delivery service license or delivery service endorsement from the State of Minnesota Office of Cannabis Management.

Cannabis event organizer means a business with a cannabis event organizer license or event organization endorsement from the State of Minnesota Office of Cannabis Management.

Cannabis manufacturing business means a business with a cannabis manufacturer license, or manufacturing endorsement from the State of Minnesota Office of Cannabis Management.

Cannabis retailer means a business with a cannabis retailer license, medical cannabis retailer license, lower-potency hemp edible retailer license, or retail endorsement from the State of Minnesota Office of Cannabis Management.

Cannabis testing business means a business with a cannabis testing facility license or testing endorsement from the State of Minnesota Office of Cannabis Management.

Cannabis transportation business means a business with a cannabis transporter license or transportation endorsement from the State of Minnesota Office of Cannabis Management.

Cannabis wholesaling business means a business with a cannabis wholesaler license or wholesaling endorsement from the State of Minnesota Office of Cannabis Management.

Lower-potency hemp edible manufacturer means a business with a lower-potency hemp edible manufacturer license from the Office of Cannabis Management.

SECTION 3. Section 109-92 Agricultural District of the Oak Grove, Minnesota, City Code is hereby amended as follows (deletions shown as ~~strikethroughs~~ and additions shown in **bold/underline**)

(d) Conditional/interim uses.

(22) Cannabis cultivation business

SECTION 4. Section 109-98 - General Business District, of the Oak Grove, Minnesota, City Code is hereby amended as follows (deletions shown as ~~strikethroughs~~ and additions shown in **bold/underline**)

(c) Accessory uses

(24) Cannabis delivery service

SECTION 5. Section 109-98 - General Business District, of the Oak Grove, Minnesota, City Code is hereby amended as follows (deletions shown as ~~strikethroughs~~ and additions shown in **bold/underline**)

(d) Conditional/interim uses.

(20) Cannabis retailer

(21) Cannabis event organizer

SECTION 6. Section 109-99 - Limited Industry, of the Oak Grove, Minnesota, City Code is hereby amended as follows (deletions shown as ~~strikethroughs~~ and additions shown in **bold/underline**)

(d) Conditional use.

(18) Cannabis manufacturing business

(19) Cannabis retailer

(20) Cannabis testing business

(21) Cannabis transportation business

(22) Cannabis wholesaling business

(23) Cannabis delivery service

(24) Cannabis event organizer

(25) Lower-potency hemp edible manufacturer

SECTION 7. Section 109-162 is hereby amended as follows by adding a new section:

109-162. - Cannabis Businesses and Lower Potency Hemp Edible Manufacturers.

- (a) **Cannabis businesses and Lower Potency Hemp Edible Manufacturers must meet the requirements contained in City Code, Chapter 12, Article IX.**
- (b) **Cannabis businesses and Lower-Potency Hemp Edible Manufacturers must provide an odor control plan to the City that meets the requirements of Minnesota Statutes, Chapter 342, the rules promulgated thereto, and city odor control requirements.**
- (c) **Cannabis cultivation business grow operations must be completely within an enclosed building.**

SECTION 8. Section 109-195, Home Occupations of the Oak Grove, Minnesota, City Code is hereby amended as follows (deletions shown as ~~strikethroughs~~ and additions shown in **bold/underline**):

(e) Cannabis businesses and hemp businesses are prohibited as home occupations.

SECTION 9. INTERIM ORDINANCE TERMINATION. Upon the Effective Date of this Interim Ordinance 23-02 shall automatically terminate.

SECTION 10. This Ordinance shall be effective, after passage and publication, on January 1, 2025.

Passed and adopted this 9th day of December, 2024, by the City Council of the City of Oak Grove.

By: _____
Weston Rolf, Mayor

ATTEST:

Britt Pease, Deputy City Clerk

SECTION X. EFFECTIVE DATE. This ordinance shall take effect following its passage and publication in accordance with state law.