

Chapter 5 CANNABIS PRODUCT

ARTICLE I. ADMINISTRATION

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Sec. 5.001. Findings and purpose.

The City of Albert Lea makes the following legislative findings:

The purpose of this chapter is to implement the provisions of Minn. Stats. ch. 342, which authorizes the city to protect the public health, safety, welfare of the city residents by regulating cannabis businesses within the legal jurisdiction of the city.

The city finds and concludes that the proposed provisions are appropriate and lawful ~~land use~~ regulations for the city. That the proposed amendments will promote the community's interest in reasonable stability in cannabis administration zoning for now and in the future, and that the proposed provisions are in the public interest and for the public good.

(Ord. No. 24-129, 10-28-2024)

Sec. 5.002. Authority and jurisdiction.

The city has the authority to adopt this chapter pursuant to:

- (1) Minn. Stats. § 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.
- (2) Minn. Stats. § 342.22, regarding the local registration and enforcement requirements of state-licensed cannabis retail businesses and lower-potency hemp edible retail businesses.
- (3) Minn. Stats. § 152.0263, subd. 5, regarding the use of cannabis in public places.
- (4) Minn. Stats. § 462.357, regarding the authority of a local authority to adopt zoning ordinances.

Ordinance shall be applicable to the legal jurisdiction of the City of Albert Lea.

(Ord. No. 24-129, 10-28-2024)

Sec. 5.003. Severability.

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

(Ord. No. 24-129, 10-28-2024)

Sec. 5.004. Enforcement.

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

Sec. 5.005. Zoning and land use.

Refer to chapter 50 within the municipal code for all zoning requirements for licensed cannabis related businesses and services. [Qualification on meeting setback requirements shall be determined as of date of original application submittal to the State.](#)

(Ord. No. 24-129, 10-28-2024)

Sec. 5.006. Definitions.

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

Cannabis cultivation means 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 event organizer means a person, cooperative, or business holding a cannabis event organizer license with the office of cannabis management (OCM) or the "office".

Cannabis retail businesses means a retail location and the retail location(s) of a mezzobusiness 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 means 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.

Daycare means 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 twenty-four (24) hour day.

Intoxicating cannabinoid means a cannabinoid, including an artificially derived cannabinoid, that when introduced into the human body impairs the central nervous system or impairs the human audio, visual, or mental processes. Intoxicating cannabinoid include, but is not limited to, any tetrahydrocannabinol.

Lower-potency hemp edible shall mean as defined under Minn. Stats. § 342.01 subd. 50.

Office of cannabis management means Minnesota Office of Cannabis Management, referred to as "OCM" in this section.

Place of public accommodation means 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 means OCM pre-approval for a cannabis business license for applicants who qualify under Minn. Stats. § 342.17.

Public place means 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.

Residential treatment facility shall mean as defined under Minn. Stats. § 245.462 subd. 23.

Retail registration means an approved registration issued by the city to a state-licensed cannabis retail business.

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

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

(Ord. No. 24-129, 10-28-2024)

Secs. 5.007—50.020. Reserved.

ARTICLE II. REGISTRATION OF ALL CANNABIS BUSINESSES

Sec. 5.021. Consent to registering of cannabis businesses.

- (a) No individual or entity may operate a state-licensed cannabis business within the City of Albert Lea without first registering with the City of Albert Lea.
- (b) Any state-licensed cannabis retail business that sells to a customer or patient without valid retail registration shall incur a civil penalty of up to two thousand dollars (\$2,000.00) for each violation.

(Ord. No. 24-129, 10-28-2024)

Sec. 5.022. Compliance checks prior to retail registration.

- (a) Prior to issuance of a cannabis retail business registration, the City of Albert Lea shall conduct a preliminary compliance check to ensure compliance with local ordinances and state laws.
- (b) Pursuant to Minn. Stats. ch. 342, within thirty (30) days of receiving a copy of a state license application from OCM, the City of Albert Lea 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.

(Ord. No. 24-129, 10-28-2024)

Sec. 5.023. Registration and application procedure.

- (a) *Fees.*
 - (1) The City of Albert Lea shall not charge an application fee.
 - (2) A registration fee, as established in the City of Albert Lea's fee schedule, shall be charged to applicants depending on the type of retail business license applied for.
 - (3) ~~AR-Initial retail~~ registration fees shall not exceed ~~five hundred dollars (\$500.00) or half the~~ permitted amount of an initial state license fee under Minn. Stats. § 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 the City of Albert Lea shall be charged at the time of the second renewal and each subsequent renewal thereafter.
 - (5) ~~AR-renewal retail~~ registration fees shall not exceed ~~one thousand dollars (\$1,000.00) or half the~~ permitted amount of a renewal state license fee under Minn. Stats. § 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. Stats. § 342.22.
- (1) An applicant for a retail registration shall fill out an application form, as provided by the city. Said form shall include, but is not limited to:
- Full name of the property owner and business owner (applicant), and business manager;
 - Address, email address, and telephone number of the owner, applicant and manager;
 - The address and parcel ID for the property which the retail registration is sought;
 - Certification that the applicant complies with the requirements of local ordinances established pursuant to Minn. Stats. § 342.13; and
 - Acknowledgement the applicant is aware of zoning and design requirements for their business and has access to such requirements online or shall be given a printed copy upon request.
- (2) The applicant shall include with the form:
- The application and fee as required in this section;
 - A copy of a valid state license or official notice from the OCM that the license is preapproved; and
 - Proof of state-required insurance.
- (3) Once an application is considered complete, the city shall inform the applicant as such, process the application fees, and forward the application to the city council for approval or denial.
- (4) Prior to applicant submittal, both applicant and property owner of applicants' place of business must be current on all state, county and local taxes and assessments.
- (5) The application fee shall be non-refundable once received.
- (6) The complete application shall be submitted 10 calendar days before the next Council meeting. If later than 10 days prior, the application shall be held over to the following Council meeting.
- (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 5.026.
- (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 chapter.
- (d) *Annual compliance checks.*
- (1) The City of Albert Lea shall complete at minimum one (1) compliance check per calendar year of every cannabis business to assess if the business meets age verification requirements, as required under [Minn. Stats. § 342.22, subd. 4(b) and Minn. Stats. § 342.24] and this/these [chapter/section/ordinances].
- (2) The city shall conduct at minimum one (1) unannounced age verification compliance check at least once per calendar year. Age verification compliance checks shall involve persons at least seventeen (17) years of age but under the age of twenty-one (21) who, with the prior written consent of a parent or guardian if the person is under the age of eighteen (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.

(3) Any failures under this section shall 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 this section if it seeks to move to a new location still within the legal boundaries of the City of Albert Lea.

(Ord. No. 24-129, 10-28-2024)

Sec. 5.024. Renewal of registration.

- (a) The City of Albert Lea shall renew an annual registration of a state-licensed cannabis retail business substantially concurrent with OCM renewal of the cannabis retail business' license.
- (b) A state-licensed cannabis retail business shall apply to renew registration on a form established by city.
A cannabis retail registration issued under this section shall not be transferred.
- (c) *Renewal fees.* The city may charge a renewal fee for the registration starting at the second renewal, as established in the City of Albert Lea's fee schedule.
- (d) *Renewal application.* The application for renewal of a retail registration shall include, but is not limited to:
- (1) Items required under section 5.043 of this chapter.
 - (2) Listing any prior violations of local ordinances in the past two (2) years with a brief explanation.

(Ord. No. 24-129, 10-28-2024)

Sec. 5.025. Suspension of registration.

- (a) *When suspension is warranted.* The city may suspend a cannabis retail business's registration if it violates the ordinance of city or poses an immediate threat to the health or safety of the public. The city shall immediately notify the cannabis retail business in writing 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 city and cannabis business retailer a response to the complaint within seven (7) calendar days and perform any necessary inspections within thirty (30) calendar days.
- (c) *Length of suspension.* The suspension of a cannabis retail business registration may be for up to thirty (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.
The city may reinstate a registration if it determines that the violations have been resolved.
- (d) *Civil penalties.* Subject to Minn. Stats. § 342.22, subd. 5(e) the city may impose a civil penalty, as specified in the city's fee schedule, for registration violations.

(Ord. No. 24-129, 10-28-2024)

Sec. 5.026. Limiting of registrations.

The city shall limit the number of cannabis retailer businesses:

- (1) The City of Albert Lea shall limit the number of cannabis retail businesses to no fewer than one (1) registration for every twelve thousand five hundred (12,500) residents within the City of Albert Lea.

- (2) If the city has one (1) active cannabis retail businesses registration for every twelve thousand five hundred (12,500) residents, the city shall not be required to register additional state-licensed cannabis retail businesses.
- (3) The City of Albert Lea shall limit the number of cannabis retail businesses to two (2).
- (4) Approval of license registration for the relocation of an existing retail cannabis business within city boundaries shall not be counted as long as the neither locations are operational at the same time.

(Ord. No. 24-129, 10-28-2024)

Sec. 5.027. Hours of operation.

No cannabis retail business may operate outside the hours of:

- (1) 10:00 a.m. to 9:00 p.m. on Sundays;
- (2) 8:00 a.m. to 10:00 p.m. on Monday through Saturday;

And shall be closed:

- (1) All day Thanksgiving Day;
- (2) After 8:00 p.m. on Christmas Eve, December 24;
- (3) All day Christmas Day, December 25.

(Ord. No. 24-129, 10-28-2024)

Sec. 5.028. Rejection or Amendment of Application.

The City may reject, return or inquire for clarification on an application if it appears incomplete or inconsistent. In the event the application is rejected, returned or held for correction and clarification, the application will not be considered officially submitted.

Sec. 5.029. Denial and Revocation of Registration

The City may deny or revoke registration if:

- (1) The application violates local limitations on registrations.
- (2) The applicant is not operational 365 days after Council approval
- (3) The applicant has violated local ordinances or state laws related to cannabis business operations.
- (4) The applicant is past due on property taxes, assessments or municipal utilities.
- (5) The applicant has successfully relocated their cannabis business and the previous license is in violation of registration limitations.

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Sec. 5.030. Selection Criteria

The selection process shall be those with complete applications within the time frame necessary to have City Council approve at the following regular meeting.

When the City has multiple applications for registration of cannabis businesses awaiting approval and registration limitations force a denial of an application, the City Council shall select only enough applications for registration to

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~~meet limitations of registration. In determining selection, the City Council shall make this determination based in order of:~~

- ~~(1) The City of Albert Lea will register Cannabis businesses on a first-come first service basis, which will be based solely on a time-stamped State of MN, OCM issued license.~~
 - ~~(2) The applicant must not have a history in the last 24 months of being past due on property taxes, development agreements, local development loans, assessment or municipal utilities.~~
 - ~~(3) The applicant is not in current violation of local ordinances or state laws~~
- ~~— The applicant is an established cannabis business within city boundaries and is expanding or relocating under the same license type.~~

~~The applicant meets all state social equity or other weighted selection criteria that may challenge local limitations:~~

~~The lesser of time allotment necessary to become operational.~~

~~The applicant has violated local ordinances or state laws related to cannabis business operations.~~

~~The applicant is or has a history in the last 24 months of being past due on property taxes, development agreements, local development loans, assessments or municipal utilities.~~

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Secs. 5.028031—5.040. Reserved.

ARTICLE III. LOWER-POTENCY HEMP PRODUCTS

Sec. 5.041. Low-potency hemp retail.

The sale of low potency products as regulated by state statute and licensed by the office of cannabis management, ~~require a state license and a local retail registration-~~

- ~~1. A state-licensed low-potency hemp retail business shall apply to renew registration on a form established by the city.~~
- ~~2. A low-potency retail registration issued under this section shall not be transferred.~~
- ~~3. The city may charge a fee for the registration, as established in the City of Albert Lea's fee schedule.~~

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Sec. 5.042. Zoning and land use.

Retail sales of low potency cannabis products cannot exceed more than five (5) percent of the retail products available as measured by existing utilized shelf or display space in order to not be classified as cannabis retail for zoning purposes only. Refer to chapter 50 within the municipal code for all zoning requirements for licensed cannabis cultivation, retail, wholesale, manufacturing or services.

(Ord. No. 24-129, 10-28-2024)

Sec. 5.043. Additional standards.

- (a) *Sales within liquor store.* The sale of low-potency edibles and hemp beverages are permitted in off-sale liquor stores.

- (b) *Age requirements.* The sale of low-potency edibles and hemp beverages are permitted without internal display restrictions in places that admit only persons twenty-one (21) years of age or older.
- (c) *Under twenty-one (21) beverage display.* In permitted locations without age restrictions low-potency hemp beverages shall be sold from cases and displays designated as twenty-one (21) years and older.
- (d) *Under twenty-one (21) edible display.* In permitted locations without age restrictions low-potency edibles shall be sold behind a counter, and stored in a locked case at non cannabis retail licensed establishments.

(Ord. No. 24-129, 10-28-2024)

Secs. 5.044—5.060. Reserved.

ARTICLE IV. TEMPORARY CANNABIS EVENTS

Sec. 5.061. State license required.

- (a) A cannabis event organizer license entitles the license holder to organize a temporary cannabis event lasting no more than four (4) days. Prior to obtaining a local license and events permit, a license holder must show proof of current state license as a cannabis event organizer.
- (b) A license or permit is required to be issued and approved by the city prior to holding a temporary cannabis event that will sell or allow intoxicating cannabinoid products.

(Ord. No. 24-129, 10-28-2024)

Sec. 5.062. Registration and application procedure.

All events require a minimum a thirty (30) day notice to review event plans for compliance with Minn. Stats. § 342.40. Any application less than thirty (30) days' notice shall be automatically rejected. Each event shall have a fee charged to the cannabis event organizer only. The rate shall be established in the city's fee schedule.

Applicants shall provide but may not be limited to provide the following:

- (1) Plans for security to general public safety, security for cannabis workers, security of intoxicating cannabinoid product displays, and storage security of intoxicating cannabinoid products.
- (2) Plans on how to restrict access of intoxicating products to minors and verify age at the time of sale.
- (3) Plans on how waste will be disposed properly.
- (4) Details on how sales take place in an established retail space and how sales are recorded for tax collection.
- (5) Full list of all vendors with a brief explanation of what they are providing/selling, and their license number/information.

(Ord. No. 24-129, 10-28-2024)

Sec. 5.063. Application submittal and review.

The city shall require an application for temporary cannabis events.

- (1) An applicant for a retail registration shall fill out an application form, as provided by the city. Said form shall include, but is not limited to:

- a. Full name of the property owner and business owner (applicant), and business manager; and
 - b. Address, email address, and telephone number of the owner, applicant and manager.
- (2) The applicant shall include with the form:
- a. The application fee as required in section 5.062;
 - b. A copy of the OCM cannabis event license;
 - c. Copies of plans, vendor lists and other documents meeting the standards in section 5.062; and
 - d. Proof of state-required insurance.
- The application shall be submitted to the city designee for review no less than thirty (30) days prior to the event. If the designee determines that a submitted application is incomplete, they shall return the application to the applicant with the notice of deficiencies.
- (3) Once an application is considered complete, the designee shall inform the applicant as such, process the application fees, and forward the application to the city council for approval or denial.
- (4) The application fee shall be non-refundable once processed.
- (5) A temporary cannabis event shall meet the following standards:
- a. Prohibition of smoking at any event.
 - b. Prohibition of vaping at any event.
 - c. Organizer shall not allow the serving of intoxicating cannabis products to impaired or intoxicated individuals.
 - d. Organizer shall not allow excessive intoxicated behavior of any group or individual, and may be held liable for any damages.
 - e. Organizer and vendors must be current on all state, county and local taxes including but not limited to sales tax.
 - f. Organizer and vendors shall not have any prior violations of this chapter or the sale of intoxicating cannabinoid, tobacco, alcohol or sexually oriented products to a minor.
- (5) A request for a temporary cannabis event that does not meet the requirements of this section shall be denied. If a vendor has a history of not complying with the standards of this chapter, that vendor may be denied participation without full denial of the event. The city shall notify the applicant of the standards not met and basis for denial.
- (6) Temporary cannabis events may only be held at:
- a. Convention centers;
 - b. Fairgrounds;
 - c. Non-residential private property that meets setback and zoning requirements;
 - d. Locations of registered cannabis businesses; and
 - e. All other locations must have pre-approved city council approval.
- (7) Temporary cannabis events shall only be held between the hours of:
- a. 10:00 a.m. to 9:00 p.m. on Sundays;
 - b. 8:00 a.m. to 10:00 p.m. on Monday through Saturday;
- (8) Temporary cannabis events shall not be held the following days:
- a. January 1st.

- b. July 3rd.
- c. July 4th.
- d. Thanksgiving Day.
- e. December 24th.
- f. December 25th.
- g. December 31st.

(Ord. No. 24-129, 10-28-2024)

Secs. 5.064—5.080. Reserved.