



Regular Meeting of the Planning Commission

Tuesday, September 10, 2024

7 pm Regular Meeting

101 14th Street, Cloquet, MN 55720

AGENDA

1. Call to Order
2. Roll Call
3. Additions/Changes to the Agenda
4. Minutes from the July 9, 2024, Planning Commission meeting

5. Zoning Case 24-15; Kevin Vegar, Rezoning, Minor Subdivision Plat

6. Zoning Case 24-16; James Nordquist, Conditional Use Permit

7. Discuss Adult-Use Cannabis and Zoning

8. Commissioner's Questions/Comments

9. Adjourn

NEXT MEETING:

Tuesday, October 8th @ 7 pm



Regular Meeting of the Planning Commission

Tuesday, July 9, 2024

7:00 p.m.

101 14th Street, Cloquet, MN 55720

CALL TO ORDER

Terri Lyytinen called the meeting to order at 7:00 p.m.

ROLL CALL

Attending: Planning Commission members: Terri Lyytinen, Philip Demers, Brittany Kuschel and Michelle Wick; City: John Kelley.

Absent: Elizabeth Polling.

Others Present: Wendy Peterson, Joel Peterson, Bob Shaffer

AGENDA ITEMS

Additions/Changes to the Agenda

None.

June 11, 2024, Meeting Minutes

Chairperson Lyytinen asked for any corrections or additions.

Motion: Commissioner Kuschel made a motion to approve the Planning Commission meeting minutes from June 11, 2024, Commissioner Demers seconded. (Motion was approved 4-0).

Zoning Case 24-14: Woods & Water Family Dental, Land Sale

Chairperson Lyytinen introduced Zoning Case 24-14, Woods & Water Family Dental, Land Sale. She asked Mr. Kelley to provide an overview. Mr. Kelley stated the City of Cloquet is selling Lot 10 in the Business Park to Woods and Water Family Dental PLLC, A Minnesota professional limited liability company. State Statute requires that a municipal land sale and its proposed use conform to the Comprehensive Plan. The proposed use of the land is for an office/clinic building. The Comprehensive Plan for the area is "Highway Commercial" which allows for office/dental clinic businesses.

There being no discussion Chairperson Lyytinen called for a motion.

Motion: Commissioner Kuschel made a motion approving Resolution 23-14 a Resolution of the City of Cloquet Planning Commission finding that the Woods and Water Family Dental PLLC, A Minnesota professional limited liability company development in the Cloquet Business Park conforms to the



Regular Meeting of the Planning Commission

Tuesday, July 9, 2024

7:00 p.m.

101 14th Street, Cloquet, MN 55720

general plans for the development of the City, Commissioner Demers seconded. (Motion passed 4-0)

Mr. Kelley stated this would go to the City Council at their meeting on Tuesday July 16th at 6:00 pm.

Zoning Case 24-013: Woods & Water Family Dental, Site Plan

Chairperson Lyytinen introduced Zoning Case 24-013 Woods & Water Family Dental, site plan. She asked Mr. Kelley to provide an overview. Mr. Kelley stated Woods & Water Family Dental is proposing a site plan for a 3,245 sq. ft. office/dental clinic and associated parking, landscaping, grading, drainage and building located west of Highway 33 and north of Stark Road. The site plan conforms with the minimum requirements of the Zoning Ordinance. Representatives from Woods & Waters Family Dental and Foundation Architects were present if there were any questions.

There being no discussion Chairman Lyytinen called for a motion

Motion: Commissioner Demers made a motion recommending the approval of the site plan in the OM – Office/Manufacturing District for Woods and Water Family Dental PLLC, A Minnesota professional limited liability company, Commissioner Wick seconded. (Motion passed 4-0)

Commissioner’s Questions/Comment

None.

Next Meeting

August Planning Commission meeting date to be rescheduled due to primary election on Tuesday, August 13th, 2024

The meeting adjourned 7:15 p.m.

Respectfully submitted,

John Kelley, City Planner/Zoning Administrator



Community Development Department

101 14th Street • Cloquet MN 55720
Phone: 218-879-2507 • Fax: 218-879-6555

To: Planning Commission
From: John Kelley, City Planner/Zoning Administrator
Date: August 30, 2024

ITEM DESCRIPTION: ZONING CASE 24-15: REZONING, MINOR SUBDIVISION PLAT – KEVIN VEGAR

Background

Kevin Vegar is proposing a rezoning and minor subdivision plat for three (3) lots. The property is located at 1568 West Carlton Avenue.

The rezoning is for the entire property from FR – Farm Residential to R-2 – One- and Two-Family Residence. The minor subdivision plat is for the creation of 3 lots, one with an existing home and two (2) lots for twin homes. The minor subdivision plat will not require the construction of any new roads or extension of utilities. The wetlands have been delineated and are shown on the minor subdivision plat with a drainage easement.

A public hearing will be held on Tuesday, September 10, 2024 to consider a rezoning and minor subdivision plat. A legal notice was published in the Pine Knot on August 30, 2024 and property owners within 350 feet were sent notices of the public hearing.

Policy Objectives

The Zoning Code states that a Zoning Map Amendment (Rezoning) may be granted when:

1. The Zoning Map Amendment is consistent with the Comprehensive Plan;
2. The Zoning Map Amendment promotes public health, safety, morals, and the general welfare, as well as efficiency and economy in the process of development;
3. The Zoning Map Amendment is compatible with the present zoning and conforming uses of nearby property and with the character of the neighborhood;
4. The property to be amended (rezoned) is suitable for the uses permitted by the Zoning District that would be applied by the proposed Zoning Map Amendment.

The rezoning of the property is being proposed since all parcels will be served with municipal utilities. The R-2 – One- and Two-family Residence is appropriate with the neighborhood.

The Subdivision Code states Minor Subdivision plats may be granted when:

1. The subdivision is for residential development with a maximum of eight (8) lots.



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2. The minimum lot dimensions and area shall be consistent with the requirements of the zoning district in which the lots are located.
3. The proposed lots shall have frontage on an existing public road for the minimum lot width requirements in the Cloquet Zoning Ordinance.
4. There shall be no new road or utility extensions involved in a Minor Subdivision.
5. The subdivision complies with all other requirements of the Cloquet Zoning Ordinance.

The minor subdivision plat shows three (3) lots, one for an existing home on Lot 1 and propose twin homes on Lots 2 and 3. All of the lots will have frontage on a public road and will meet the minimum lot size requirements for the zoning districts they are in. There will be no road or utility extensions. A wetland delineation of the property was approved in 2023 (WCA 23-01). There are no proposed impacts to the wetlands.

The minor subdivision plat has been revised to address items 4 and 5 noted in the Assistant City Engineer's Memo. The applicant provided a survey showing the new lot lines and building setbacks meeting zoning requirements.

Financial Impacts

The applicant has paid the required fees to cover the cost associated with the application process.

Advisory Committee Action Requested

The Planning Commission should listen to the testimony that is presented at the public hearing for the rezoning and minor subdivision plat. Following this testimony, the Planning Commission should review the rezoning and minor subdivision plat and either recommend approval, denial or table the request.

Staff Recommendation

Staff has reviewed the rezoning and minor subdivision plat and would recommend approval.

Supporting Documents Attachments

- Resolution No. 24-15 Rezone
- Resolution No. 24-15 Minor Subdivision Plat
- Location Map
- Land Use Map
- Zoning Map
- Plat drawing
- Engineer's Memo Dated 8-20-2024

STATE OF MINNESOTA

COUNTY OF CARLTON

CITY OF CLOQUET

Commissioner _____ offered the following Resolution and moved its adoption.

RESOLUTION NO. 24-15 Rezone

**A RESOLUTION RECOMMENDING THE CITY COUNCIL OF CLOQUET APPROVE
THE REZONING FROM “FR – FARM RESIDENTIAL” TO “R2 – ONE- AND
TWO-FAMILY RESIDENCE”**

WHEREAS, Kevin Vegar is proposing a Rezoning from “FR – Farm Residential” to “R2 – One- and Two- Family Residence”; and

WHEREAS, As required by ordinance, notification was advertised in the Pine Knot. A public hearing was held to consider the application at the regular meeting of the Cloquet Planning Commission on September 10, 2024, at which time Zoning Case / Development Review No. 24-15 was heard and discussed; and

WHEREAS, the property of the proposed Rezoning is located 1568 West Carlton Avenue and is legally described as follows:

A tract of land on Government Lot 7 of Section 22, Township 49, North of Range 17, West of the Fourth Principal Meridian, more particularly described as follows: Commencing at the Northwest corner of said Government Lot 7; thence bearing North 88 degrees 55 minutes 33 seconds East on the North line thereof a distance of 631.21 feet to the point of beginning of the tract to be herein described; thence bearing South 0 degrees 25 minutes 01 seconds East a distance of 669.04 feet to a point on the East-West centerline of said Government Lot 7; thence running Easterly on the East-West centerline of said Government Lot 7 (the SW 1/4 of the NW 1/4) a distance of 324.96 feet to a point; thence running Northerly along a line parallel to the West boundary line of the tract herein described to a point on the North boundary line of said Government Lot 7; thence running Westerly on said North boundary line of Government Lot 7 a distance of 324.96 feet to the point of beginning.

WHEREAS, the Planning Commission reviewed the staff report and recommends approval of the Rezoning.

NOW, THEREFORE, BE IT RESOLVED, BY THE PLANNING COMMISSION OF THE CITY OF CLOQUET, MINNESOTA, that the Planning Commission recommends approval of Zoning Case 24-15 to the Cloquet City Council.

The foregoing motion was duly seconded by Commissioner _____ and being put to vote members voted: AYE: __ NAY: ___ ABSENT: ___

PHILIP DEMERS	___	BRITTANY KUSCHEL	___
TERRI LYYTINEN	___	ELIZABETH POLLING	___
MICHELLE WICK	___		

Passed this 10TH day of September 2024.

CITY OF CLOQUET

TERRI LYYTINEN
CHAIR

ATTEST: _____
John Kelley
City Planner/Zoning Administrator

STATE OF MINNESOTA

COUNTY OF CARLTON

CITY OF CLOQUET

Commissioner ____ offered the following Resolution and moved its adoption.

RESOLUTION NO. 24-15

**A RESOLUTION RECOMMENDING APPROVAL OF A MINOR SUBDIVISION PLAT
IN THE R-2 – ONE- AND TWO-FAMILY RESIDENCE DISTRICT FOR KEVIN
VEGAR**

WHEREAS, Kevin Vegar is proposing a Minor Subdivision Plat in the R-2 – One- and Two-Family Residence District; and

WHEREAS, As required by ordinance, notification was advertised in the Pine Knot and property owners within 350 feet have been notified. A public hearing was held to consider the application at the regular meeting of the Cloquet Planning Commission on September 10, 2024, at which time Zoning Case / Development Review No. 24-15 was heard and discussed; and

WHEREAS, the property of the proposed Minor Subdivision Plat is located at 1568 West Carlton Avenue (PIN 06-510-4854) and is legally described as follows:

A tract of land on Government Lot 7 of Section 22, Township 49, North of Range 17, West of the Fourth Principal Meridian, more particularly described as follows: Commencing at the Northwest corner of said Government Lot 7; thence bearing North 88 degrees 55 minutes 33 seconds East on the North line thereof a distance of 631.21 feet to the point of beginning of the tract to be herein described; thence bearing South 0 degrees 25 minutes 01 seconds East a distance of 669.04 feet to a point on the East-West centerline of said Government Lot 7; thence running Easterly on the East-West centerline of said Government Lot 7 (the SW 1/4 of the NW 1/4) a distance of 324.96 feet to a point; thence running Northerly along a line parallel to the West boundary line of the tract herein described to a point on the North boundary line of said Government Lot 7; thence running Westerly on said North boundary line of Government Lot 7 a distance of 324.96 feet to the point of beginning.

WHEREAS, the Planning Commission reviewed the staff report and recommends approval of the minor subdivision plat to allow the creation of three new lots.

NOW, THEREFORE, BE IT RESOLVED, BY THE PLANNING COMMISSION OF THE CITY OF CLOQUET, MINNESOTA, that the Planning Commission recommends approval of Zoning Case 24-15 for a minor subdivision plat for three lots.

The foregoing motion was duly seconded by Commissioner ____ and being put to vote members voted: AYE: __ NAY: __ ABSENT: __

PHILIP DEMERS	_____	BRITTANY KUSCHEL	_____
TERRI LYYTINEN	_____	ELIZABETH POLLING	_____
MICHELLE WICK	_____		

Passed and adopted this 10th day of September 2024.

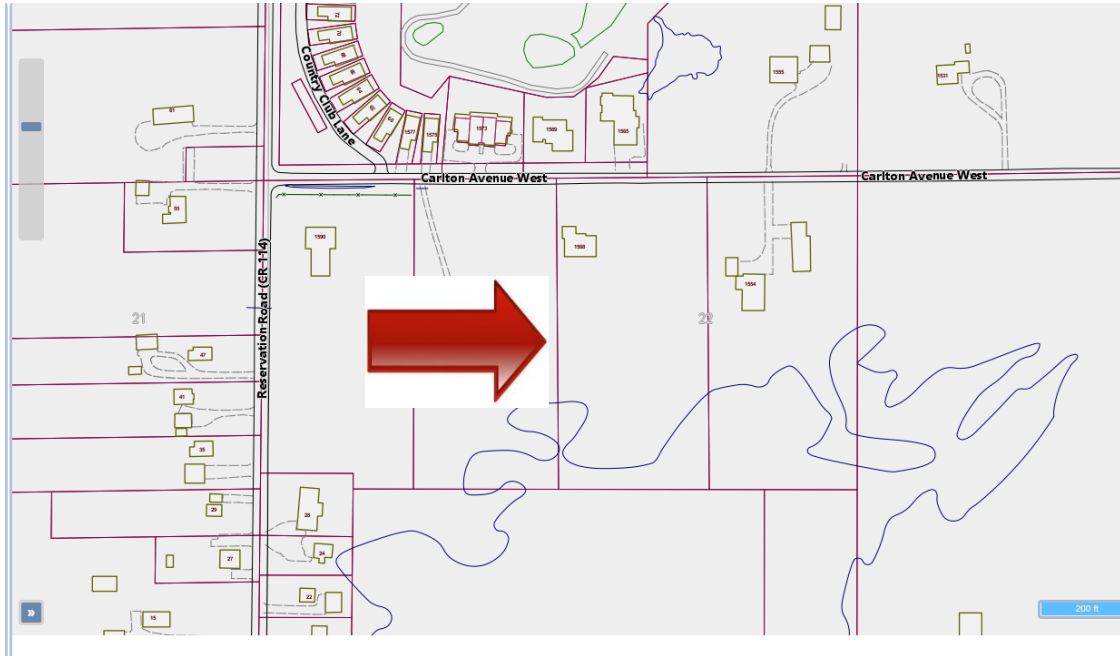
CITY OF CLOQUET

CHAIR

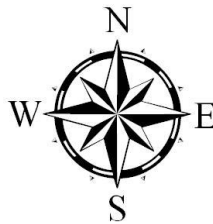
ATTEST: _____
John Kelley
City Planner/Zoning Administrator

LOCATION MAP

Kevin Vegar

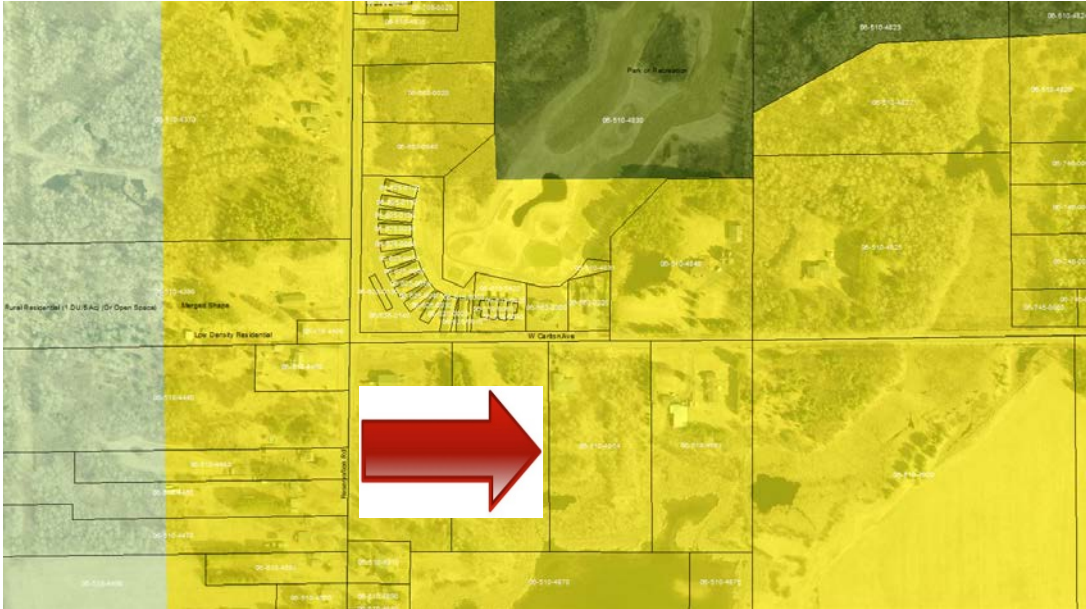


NO SCALE



LOCATION MAP

Kevin Vegar



NO SCALE



LOCATION MAP

Kevin Vegar



NO SCALE



VEGAR ADDITION

LOCATED IN GOVERNMENT LOT 7, SECTION 22,
TOWNSHIP 49 NORTH, RANGE 17 WEST, CARLTON COUNTY, MINNESOTA.

KNOW ALL PERSONS BY THESE PRESENTS: That Vegar Properties L.L.C., a Minnesota Limited Liability Company, owners and proprietors, of the following described property:

A tract of land in Government Lot 7 of Section 22, Township 49, North of Range 17, West of the Fourth Principal Meridian, more particularly described as follows: Commencing at the Northwest corner of said Government Lot 7; thence bearing North 88 degrees 55 minutes 33 seconds East on the North line thereof a distance of 631.21 feet to the point of beginning of the tract to be herein described; thence bearing South 0 degrees 25 minutes 01 seconds East a distance of 669.04 feet to a point on the East-West centerline of said Government Lot 7; thence running Easterly on the East-West centerline of said Government Lot 7 (the SW 1/4 of the NW 1/4) a distance of 324.96 feet to a point; thence running Northerly along a line parallel to the West boundary line of the tract herein described to a point on the North boundary line of said Government Lot 7; thence running Westerly on said North boundary line of Government Lot 7 a distance of 324.96 feet to the point of beginning.

Have caused the same to be surveyed and platted as VEGAR ADDITION and do hereby dedicate to the public for public use the public ways and/or the drainage and utility easements as created herewith.

In witness whereof said Vegar Properties L.L.C., a Minnesota Limited Liability Company, has caused these presents to be signed by its manager this ____ day of _____, 20__

_____, Manager

STATE OF MINNESOTA
COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____, 20____, for Vegar Properties L.L.C., a Minnesota Limited Liability Company, by its manager _____

Notary Public, _____ County, Minnesota
My Commission Expires _____

I, Benjamin H. Anderson, do hereby certify that this plat was prepared by me or under my direct supervision; that I am a duly Licensed Land Surveyor in the State of Minnesota; that this plat is a correct representation of the boundary survey; that all mathematical data and labels are correctly designated on this plat; that all monuments depicted on this plat have been, or will be correctly set within one year; that all water boundaries and wet lands, as defined in Minnesota Statutes, Section 505.01, Subd. 3, as of the date of this certificate are shown and labeled on this plat; and all public ways are shown and labeled on this plat.

Dated this _____ day of _____, 20____.

Benjamin H. Anderson, Licensed Land Surveyor
Minnesota License Number 45498

STATE OF MINNESOTA
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____ A.D. by Benjamin H. Anderson, Licensed Land Surveyor.

Notary Public, _____ County Minnesota
My Commission Expires _____

The plat of VEGAR ADDITION was accepted and approved by resolution of the City Council of Cloquet, Minnesota at a _____ meeting thereof held this _____ day of _____, 20____ A.D.

_____, Mayor
_____, City Clerk

I hereby certify that the taxes for the year _____ and all prior years on the property described herein are paid.

_____, County Auditor, Carlton County, Minnesota

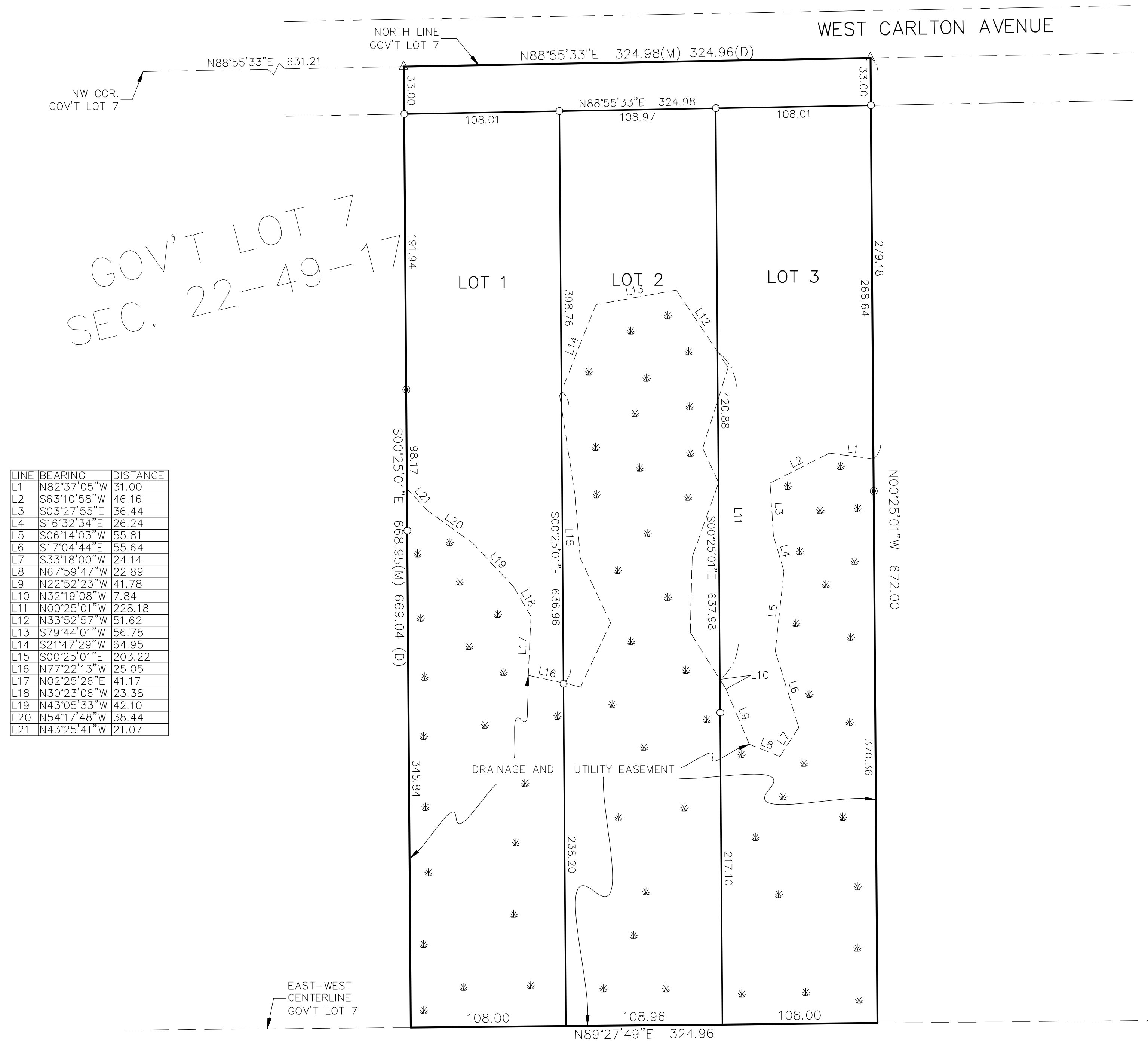
I hereby certify that the taxes for the year _____ on the property described herein are paid.

_____, County Auditor, Carlton County, Minnesota.

Document Number _____

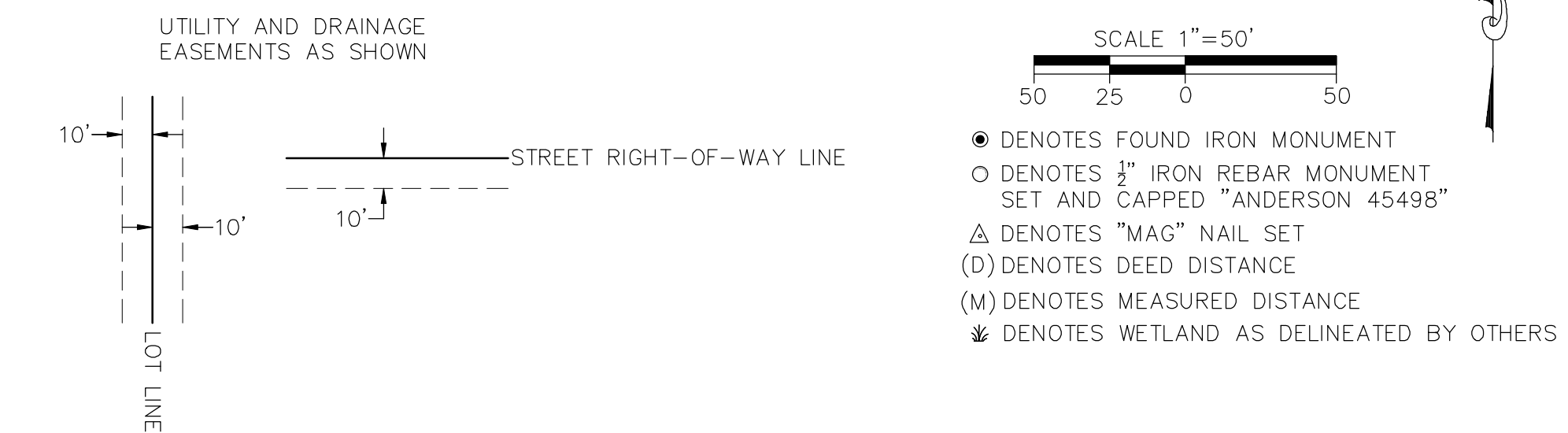
I hereby certify that the within plat of VEGAR ADDITION was filed in the office of the County Recorder, for record, this _____ day of _____, 20____, at _____ o'clock _____ M., and was duly recorded in Carlton County Records.

_____, Carlton County Recorder



GOV'T LOT 7
SEC. 22-49-17

LINE	BEARING	DISTANCE
L1	N82°37'05"W	31.00
L2	S63°10'58"W	46.16
L3	S03°27'55"E	36.44
L4	S16°32'34"E	26.24
L5	S06°14'03"W	55.81
L6	S17°04'44"E	55.64
L7	S33°18'00"W	24.14
L8	N67°59'47"W	22.89
L9	N22°52'23"W	41.78
L10	N32°19'08"W	7.84
L11	N00°25'01"W	228.18
L12	N33°52'57"W	51.62
L13	S79°44'01"W	56.78
L14	S21°47'29"W	64.95
L15	S00°25'01"E	203.22
L16	N77°22'13"W	25.05
L17	N02°25'26"E	41.17
L18	N30°23'06"W	23.38
L19	N43°05'33"W	42.10
L20	N54°17'48"W	38.44
L21	N43°25'41"W	21.07





DEPARTMENT OF PUBLIC WORKS

101 14th Street; Cloquet, MN 55720
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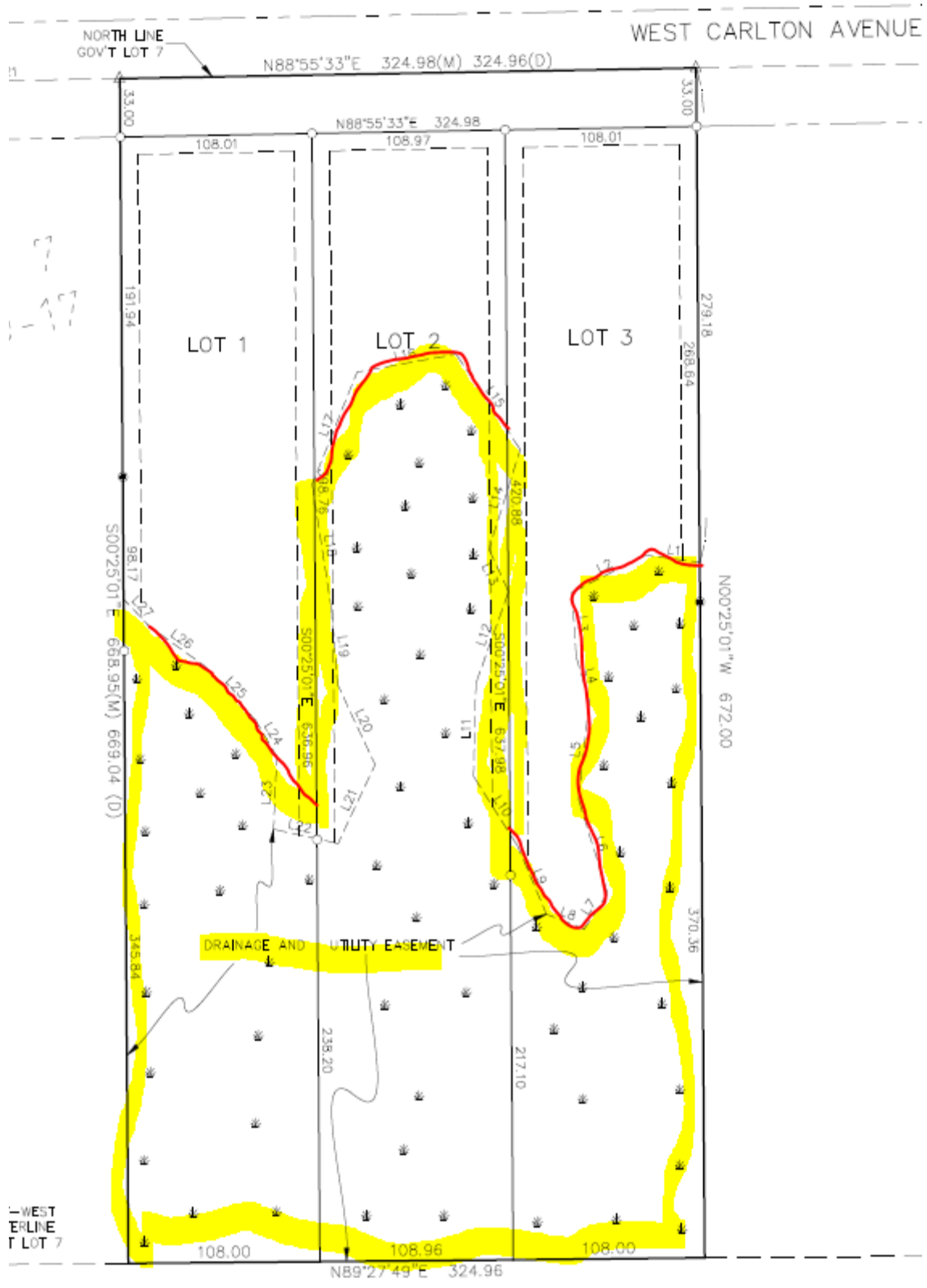
MEMO

To: John Kelley, City Planner
From: John Anderson, Assistant City Engineer
Date: August 20, 2024

SUBJECT: Vegar Addition – Engineering review

I have reviewed Plat for the “Vegar Addition”. The following are my comments on the plans submitted.

1. The plat divides the parcel into 3 buildable lots with Lot 1 having an existing building on it. No grading is shown but based on roughly 10,000 SF of disturbed area to create a building pad and driveway per lot this would be a total of 20,000 SF of disturbed area. This is under the threshold that would require a grading plan and SWPPP (43,560 SF), therefore it is not required for the developer to prepare these plans for review and approval.
2. Lot 1 has an existing building on it and a survey showing the building and the new lot lines as well as ties showing setbacks are met would be helpful. This existing lot is served by sewer and water services connect to the sewer main and watermain located on the north side of West Carlton Ave.
3. lots 2 and 3 do not have sewer or water services installed. The owner of the lot will be responsible for extending these connections at which time a permit for that work will be required along with associated fees and connection charges. Based on the information provided it is not possible to tell if sewer service can provide service to any below grade space. But based on the proximity to the wetlands and anticipated ground water table it is expected houses built on these lots will be of a slab on grade nature.
4. The section township and range referenced in the title line of the plat are incorrect
5. The drainage and utility easement descriptions are quite elaborate and provide some small islands of area not covered by easement surrounded by easement. We recommend the easements be simplified as shown on the attached mark up





PLANNING COMMISSION MEMO

To: Planning Commission
From: John Kelley, City Planner/Zoning Administrator
Date: August 30, 2024

ITEM DESCRIPTION: ZONING CASE 24-16: CONDITIONAL USE PERMIT – JIM NORDQUIST, CLASS “B” MANUFACTURED HOME IN THE R-2 – ONE- AND TWO- FAMILY RESIDENCE DISTRICT

Background

James Nordquist is proposing a conditional use permit to allow a Class “B” Manufactured Home in the R-2 – One- and Two Family Residence District. The property involved is located at 410 Broadway Street. James Nordquist would like to construct a 960 square foot manufactured home on a lot facing Broadway Street. The location map shows the zoning of the property and a home that was removed in June of 2024. The property is currently vacant.

A public hearing will be held on Tuesday, September 10, 2024, to consider the conditional use permit for a manufactured single-family dwelling in the One-and Two-Family Residence District. A legal notice was published in the Pine Knot on August 30, 2024, and property owners within 350 feet were sent notices of the public hearing.

Policy Objectives

The Zoning Ordinance states Conditional Use Permits may be granted when they comply with the following approval criteria: (*Staff comments in italic*)

1. Consistency with the Comprehensive Plan. The relationship of the proposed use to the goals, objectives, and policies of the City of Cloquet Comprehensive Plan. *The proposed site is guided as Low Density Residential (1 to 5 dwellings per acre).*
2. Compatibility. The compatibility of the proposed use with existing development within three hundred (300) feet of the proposed use and within five hundred (500) feet along the same street and development anticipated in the foreseeable future within the neighborhood and conditions that would make the use more compatible. *The property surrounding this site is primarily single-family residential to the south and west. South Highway 33 Right of Way is to the east and the land to the north is commercial and occupied by the applicant’s business (Exhaust Pros).*
3. Importance of services to the community. The importance of the services provided by the proposed facility to the community, if any, and the requirements of the facility for



Community Development Department

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certain locations, if any, and without undue inconvenience to the developer, and the availability of alternative locations equally suitable. *There is a need for rental and owner-occupied housing within the community.*

4. Neighborhood protections. The sufficiency of terms and conditions proposed to protect and maintain the uses in the surrounding neighborhood. *The site is currently vacant. The new structure will meet the minimum setback requirements for the district.*

5. Conformance with other requirements of this Chapter. The conformance of the proposed development with all provisions of this Chapter. *The proposed location meets all of the requirements of the Zoning Ordinance. There will be adequate off-street parking with the construction of the new dwelling.*

6. Other factor. Other factors pertinent to the proposed use, site conditions, or surrounding area considerations that the Planning Commission or the City Council feels are necessary for review in order to make an informed and just decision.

Financial Impacts

The Conditional Use Permit fee is \$400. The applicant has paid this fee to cover the cost associated with the application process.

Advisory Committee Action Requested

The Planning Commission should listen to the testimony that is presented at the public hearing for the conditional use permit. Following this testimony, the Planning Commission should review the approval criteria for the conditional use permit and either recommend approval, approval with conditions or denial of the conditional use permit. The Planning Commission may impose conditions in the granting of conditional uses.

Staff Recommendation

Staff has reviewed the conditional use permit approval criteria requirements and would recommend approval of the conditional use permit subject to the conditions in the draft resolution.

Supporting Documents Attachments

- Resolution No. 24-16
- Location Map
- Site Plan
- Home elevations & rendering
- Engineer's Memo Dated 8-26-2024

STATE OF MINNESOTA

COUNTY OF CARLTON

CITY OF CLOQUET

Commissioner _____ offered the following Resolution and moved its adoption.

RESOLUTION NO. 24-16

**A RESOLUTION RECOMMENDING THE CITY COUNCIL OF CLOQUET APPROVE
THE CONDITIONAL USE PERMIT FOR JAMES NORDQUIST FOR A CLASS “B”
MANUFACTURED HOME IN THE R-2 – ONE- AND TWO- 2 - TWO-FAMILY
RESIDENCE DISTRICT**

WHEREAS, James Nordquist is proposing a Conditional Use Permit for a Class “B”
Manufactured Home in the R-2 – One- and Two- Family Residence District; and

WHEREAS, As required by ordinance, notification was advertised in the Pine Knot on August
30, 2024, and property owners within 350 feet were sent notice. A public hearing was held to
consider the application at the regular meeting of the Cloquet Planning Commission on
September 10, 2024, at which time Zoning Case / Development Review No. 24-16 was heard
and discussed; and

WHEREAS, the property of the proposed Conditional Use Permit is located at 410 Broadway
Street and is legally described as follows:

South 18 feet of Lot 2 and North 32 feet of Lot 3, Block A, City of Cloquet Original Plat.
Carlton County, Minnesota. And,

WHEREAS, the Planning Commission reviewed the staff report and recommends approval of
the Conditional Use Permit.

**NOW, THEREFORE, BE IT RESOLVED, BY THE PLANNING COMMISSION OF
THE CITY OF CLOQUET, MINNESOTA**, that the Planning Commission recommends
approval of Zoning Case 24-16 to the Cloquet City Council for a Class “B” Manufactured Home
in the R-2 – One- and Two- Family Residence District subject to the following conditions:

1. A Building Permit be issued prior to beginning any work.
2. A permit for sewer and water service is required along with associated fees and charges before any work may take place to extend service to the new building.

The foregoing motion was duly seconded by Commissioner ____ and being put to vote members voted: AYE: __ NAY: __ ABSENT: __

PHILIP DEMERS	_____	BRITTANY KUSCHEL	_____
TERRI LYYTINEN	_____	ELIZABETH POLLING	_____
MICHELLE WICK	_____		

Passed and adopted this 10th day of September 2024.

CITY OF CLOQUET

TERRI LYYTINEN
CHAIR

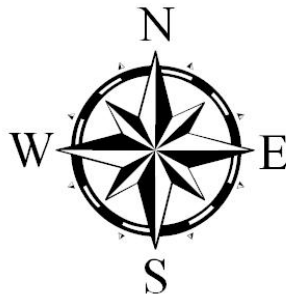
ATTEST: _____
John Kelley
City Planner/Zoning Administrator

LOCATION MAP

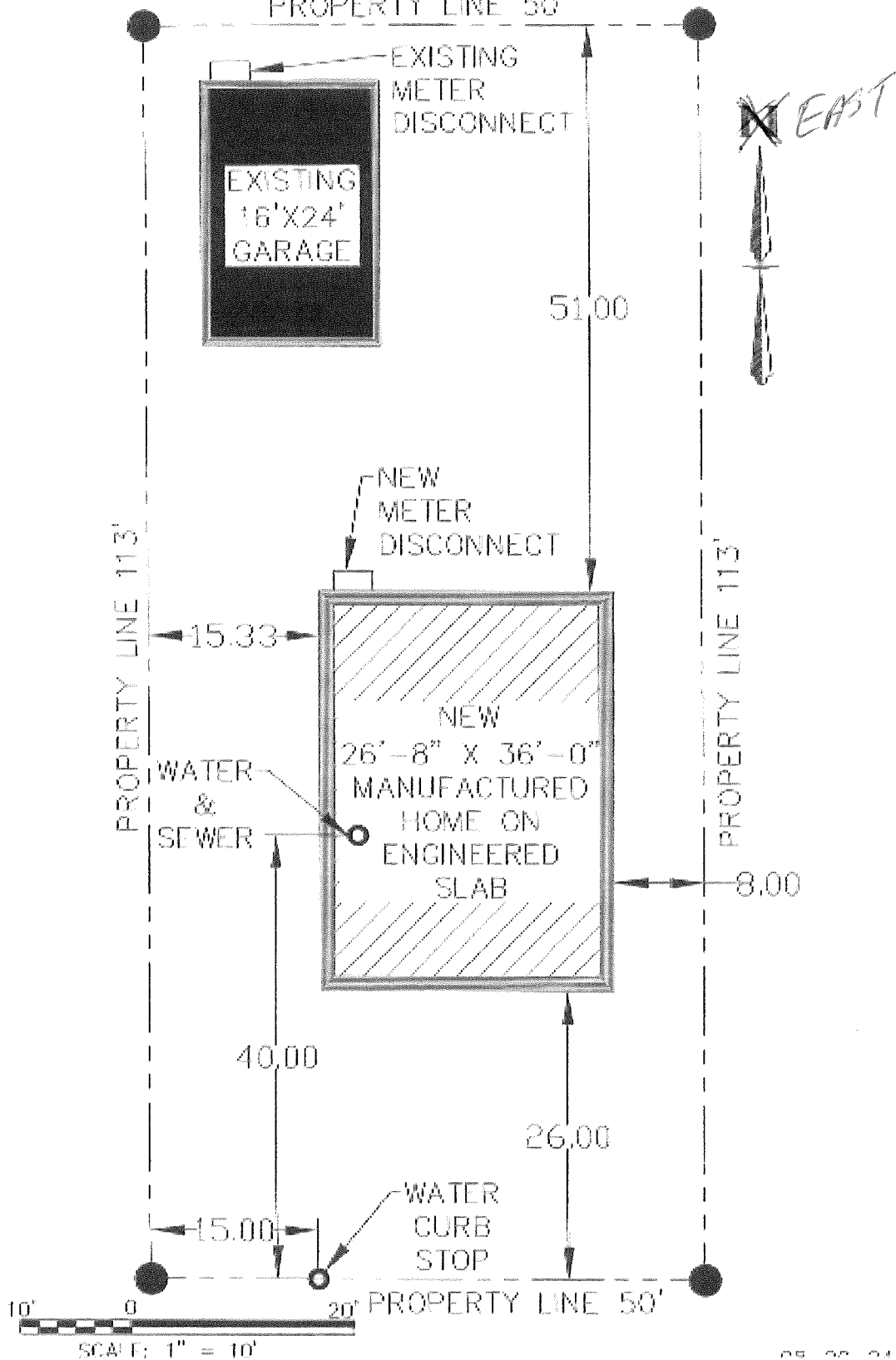
James Nordquist



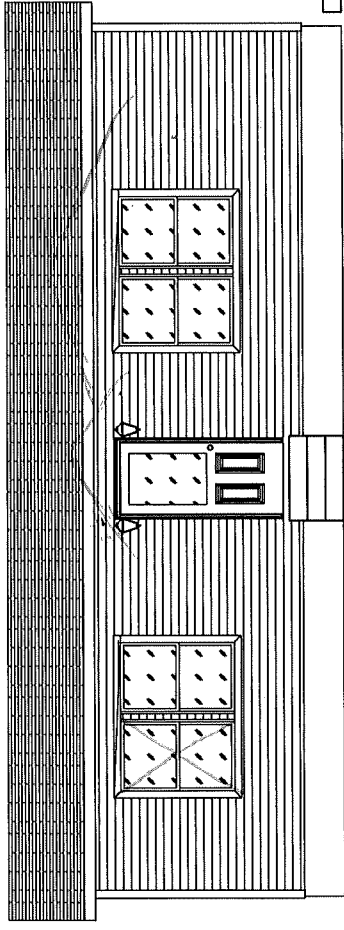
NO SCALE



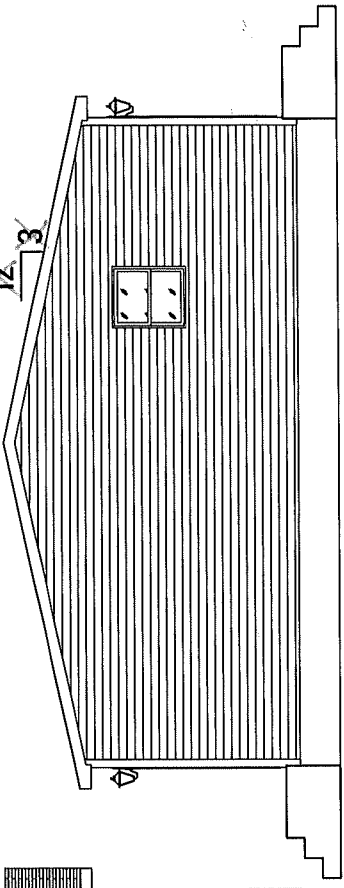
PROPOSED HOME FOR:
JIM NORDQUIST
410 BROADWAY ST
CLOQUET, MN 55720
PROPERTY LINE 50'



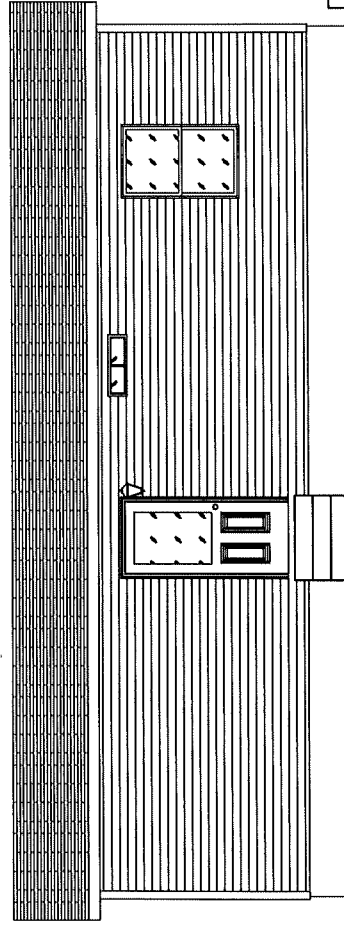
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13
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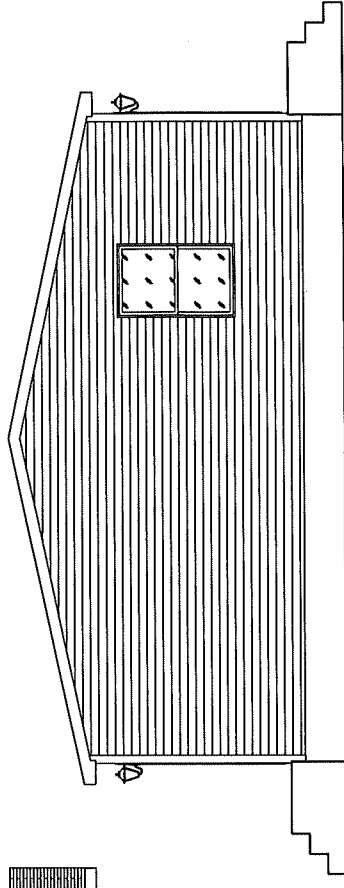
FRONT VIEW



LEFT VIEW



REAR VIEW



RIGHT VIEW

NOTE: This is an artistic rendering. building materials may be optional or differ from what is shown.

Builder: **midcountry Homes**

Address: 337 Liberty Street
Dorchester, WI 54425

Callout: 2836

Revisions:
Drawn By: JSCHULTZ

Scale: N.T.S.
Reference: NONE

Dist. Stock
Df. S/N

Model/Eng. No.: **3M076-P1ELE**
El.

Title: **Elevations**

Pg: -----

Actual home to be 16 feet narrower in width and has a 18'8" flush dormer, color of home is grey





DEPARTMENT OF PUBLIC WORKS

101 14th Street; Cloquet, MN 55720
Phone: (218) 879-6758 Fax: (218) 879-6555
Street - Water - Sewer – Engineering - Park
www.CloquetMN.Gov

MEMO

To: John Kelley, City Planner
From: John Anderson, Assistant City Engineer
Date: August 26, 2024

SUBJECT: 410 Broadway Street – Engineering review

I have reviewed plans submitted for the Manufactured Housing Unit Proposed at 410 Broadway Street. The following are my comments on the plans submitted.

1. The plans do not include grading plans but based on the size of the lot. No grading is shown but based on roughly 5,600 SF of disturbed area to grade the lot this is under the threshold that would require a grading plan and SWPPP (43,560 SF), therefore it is not required for the developer to prepare these plans for review and approval.
2. A permit for sewer and water service is required along with associated fees and charges before any work may take place to extend service to a new building.



MEMO

To: Planning Commission
From: John Kelley, City Planner/Zoning Administrator
Date: August 30, 2024

ITEM DESCRIPTION: Cannabis & Zoning Regulations

Chapter 342 of Minnesota law was established by the State Legislature in 2023 and updated in 2024. The statute creates the framework for Minnesota's new adult-use cannabis law. The law includes requirements for licensing, operations, inspections, penalties, data collection and reports and education. Specific state regulations governing the adult-use cannabis market have not yet been finalized. The Minnesota office of Cannabis Management (OCM) will accept applications for state licensing for operations. Once an applicant has been vetted by OCM and is selected for proceeding in the verification process, they are then required to receive the local government's certification of zoning compliance and, if applicable, retail registration before operations may commence.

Local governments may limit the number of retailers and cannabis business that cultivate and manufacture hemp and cannabis products as long as there is at least one retail location per 12,500 residents. The population of Cloquet as of 2020 was 12,568. The City of Cloquet would need to allow for a minimum of two businesses based on current population numbers. The law allows local units of government to adopt reasonable restrictions on the time, place, and manner for the operation of a cannabis business provided such restrictions do not prohibit the establishment or operation of such a business. The law does allow cities to prohibit retail sales of cannabis between certain operating hours and to prohibit the operation of a cannabis business in proximity to schools, daycares, residential treatment facilities and public parks that have amenities such as playgrounds and athletic fields.

The OCM is preparing state regulations governing the adult-use cannabis market <https://mn.gov/ocm/>. These regulations are expected to be in place by January 1, 2025, therefore in an effort to be prepared many communities are familiarizing themselves with the state's cannabis framework and website. This memo is intended to serve as an introduction to the state law regulating cannabis use and products and as a starting point to begin discussing potential zoning requirements for cannabis business.

Local Zoning & Registration Process (<https://mn.gov/ocm/local-governments/>)

Important future considerations for the City of Cloquet will be local zoning compliance certification, compliance checks, and local government complaint process.

Local role in license approval process

Local governments play a critical role in the licensing process, serving as a near-final approval check on cannabis businesses nearing the awarding of a state license for operations. Once an applicant has been vetted by OCM and is selected for proceeding in the verification process, they are then required to receive the local government's certification of zoning compliance and, if applicable, retail registration before operations may commence.



Local retail registration

Once the licensing process begins, local retail registration applies to cannabis retailers or other cannabis/hemp businesses that are seeking a retail endorsement. Local governments issue a retail registration after verifying that the business:

- Has a valid license or license preapproval issued by OCM
- Paid a registration fee or renewal fee to the local government

Initial registration fees collected by a local government may be \$500 or up to half the amount of the applicable initial license fee, whichever is less. Renewal registration fees may be \$1,000 or up to half the amount of the applicable renewal license fee, whichever is less.

- Is found in compliance with state law and local ordinances
- Is current on all property taxes and assessments for the proposed retail location

A county may issue local registrations if the respective local government transfers that authority to the county.

Local certification of zoning compliance

During the application and licensing process for cannabis businesses, OCM will notify a local government when an applicant intends to operate within their jurisdiction and request a certification as to whether a proposed cannabis business complies with local zoning ordinances, and if applicable, whether the proposed business complies with state fire code and building code. According to Minnesota's cannabis law, a local unit of government has 30 days to respond to this request for certification of compliance. If a local government does not respond to OCM's request for certification of compliance within the 30 days, the cannabis law allows OCM to issue a license. OCM may not issue the final approval for a license if the local government has indicated they are not in compliance.

Compliance checks

Local governments must conduct compliance checks for cannabis and hemp businesses holding retail registration at least once per calendar year. These checks must verify compliance with age verification procedures and compliance with any applicable local ordinances.

Local government complaint process

OCM will establish an expedited complaint process during the rulemaking process to receive, review, read, and respond to complaints made by a local unit of government about a cannabis business. Upon promulgation of rules, OCM will publish the complaint process.

Local government staff can use this workbook for guidance regarding the local government's role in the application, licensing, and regulatory system for the cannabis industry. The guidance includes a draft model ordinance for local government staff to reference in the development of ordinances.

- **A Guide for Local Governments on Adult-Use Cannabis:**
https://mn.gov/ocm/assets/Minnesota%20OCM%20LG%20Guide_tcm1202-627967.pdf

Local government staff can use these resources for enforcement of hemp-derived cannabinoid products and cannabis flower.

- **Hemp Flower and Hemp-Derived Cannabinoid Product Checklist:**
https://mn.gov/ocm/assets/productchecklist_tcm1202-627194.pdf
- **Enforcement Notice from the Office of Cannabis Management:**
https://mn.gov/ocm/assets/enforcementletter_tcm1202-627195.pdf



COMMUNITY DEVELOPMENT DEPARTMENT

101 – 14th Street • Cloquet MN 55720

Phone: 218-879-2507 • Fax: 218-879-6555

www.cloquetmn.gov

- *Notice to Unlawful Cannabis Sellers:* https://mn.gov/ocm/assets/noticetosellers_tcm1202-627196.pdf

Direction

At the September meeting, staff hopes to introduce the Planning Commission to this topic over viewing portions of the state website and draft state ordinance. Then staff hopes to gain feedback from the Planning Commission if they have interests in the development of local restrictions as the law allows:

- 1) Local units of government to adopt reasonable restrictions on the time, place, and manner for the operation of a cannabis business provided such restrictions do not prohibit the establishment or operation of such a business.
- 2) Cities to prohibit retail sales of cannabis between certain operating hours and to prohibit the operation of a cannabis business in proximity to schools, daycares, residential treatment facilities and public parks that have amenities such as playgrounds and athletic fields.

Attachments

- A Guide for Local Governments on Adult-Use Cannabis:
https://mn.gov/ocm/assets/Minnesota%20OCM%20LG%20Guide_tcm1202-627967.pdf



MINNESOTA

OFFICE OF CANNABIS MANAGEMENT



A Guide for Local Governments on Adult-Use Cannabis



**Version 1.3
Updated July 11, 2024**

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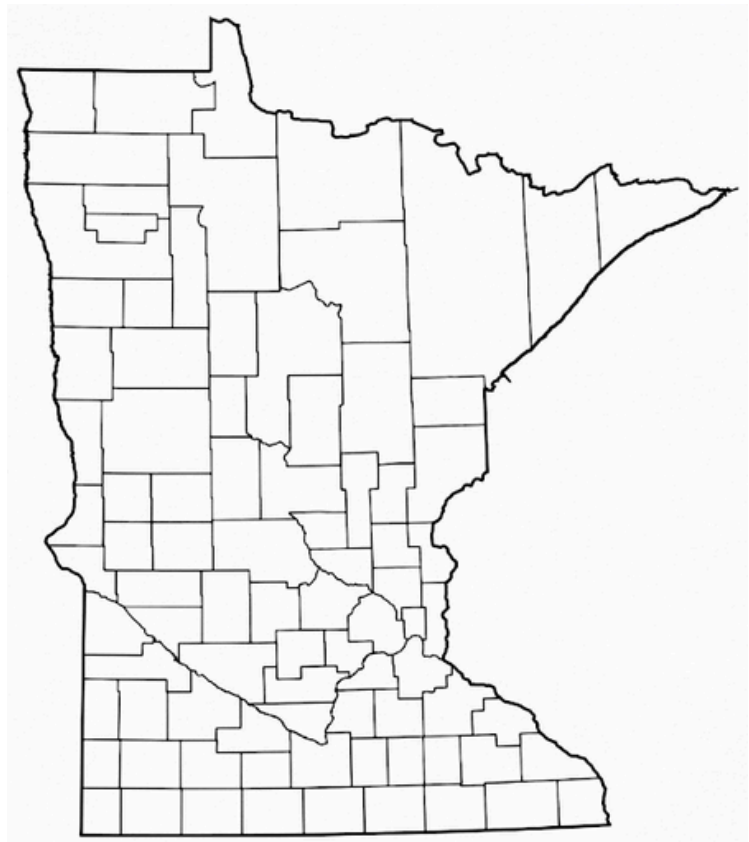
Introduction

This guide serves as a general overview of **Minnesota’s new adult-use cannabis law**, and how **local governments** can expect to be involved. The guide also provides important information about Minnesota’s new Office of Cannabis Management (OCM), and the office’s structure, roles, and responsibilities. While medical cannabis continues to play an important role in the state’s cannabis environment, this guide is primarily focused on the adult-use cannabis law and marketplace.

The following pages outline the variety of cannabis business licenses that will be issued, provide a broad summary of important aspects of the adult-use cannabis law, and cover a wide range of expectations and authorities that relate to local governments. This guide also provides best practices and important requirements for developing a local cannabis ordinance.

Chapter 342 of Minnesota law was established by the State Legislature in 2023 and was updated in 2024. Mentions of “adult-use cannabis law” or “the law” throughout this guide refer to Chapter 342 and the changes made to it.

As of this guide’s date of publication, state regulations governing the adult-use cannabis market have not yet been published—**this document will be updated** when such regulations become effective.



This guide is not a substitute for legal advice, nor does it seek to provide legal advice. Local governments and municipal officials seeking legal advice should consult an attorney.

About OCM

Minnesota's **Office of Cannabis Management** is the state regulatory office created to oversee the implementation and regulation of the adult-use cannabis market, the medical cannabis market, and the consumer hemp industry. Housed within OCM are the **Division of Medical Cannabis** (effective July 1, 2024), which operates the medical cannabis program, and the **Division of Social Equity**, which promotes development, stability, and safety in communities that have experienced a disproportionate, negative impact from cannabis prohibition and usage.



OCM, through Chapter 342, is tasked with establishing rules and policy and exercising its regulatory authority over the Minnesota cannabis industry. In its duties, OCM is mandated to:

- Promote public health and welfare.
- Protect public safety.
- Eliminate the illicit market for cannabis flower and cannabis products.
- Meet the market demand for cannabis flower and cannabis products.
- Promote a craft industry for cannabis flower and cannabis products.
- Prioritize growth and recovery in communities that have experienced a disproportionate, negative impact from cannabis prohibition.

OCM governs the application and licensing process for cannabis and hemp businesses, specific requirements for each type of license and their respective business activities, and conducts enforcement and inspection activities across the Minnesota cannabis and hemp industries.

License Types

Minnesota law allows for **13** different types of business licenses, each fulfilling a unique role in the cannabis and hemp supply chain. In addition to license types below, OCM will also issue endorsements to license holders to engage in specific activities, including producing, manufacturing, and sale of medical cannabis for patients.

Microbusiness

Microbusinesses may cultivate cannabis and manufacture cannabis products and hemp products, and package such products for sale to customers or another licensed cannabis business. Microbusiness may also operate a single retail location.

Mezzobusiness

Mezzobusinesses may cultivate cannabis and manufacture cannabis products and hemp products, and package such products for sale to customers or another licensed cannabis business. Mezzobusiness may also operate up to three retail locations.

Cultivator

Cultivators may cultivate cannabis and package such cannabis for sale to another licensed cannabis business.

Manufacturer

Manufacturers may manufacture cannabis products and hemp products, and package such products for sale to a licensed cannabis retailer.

Retailer

Retailers may sell immature cannabis plants and seedlings, cannabis, cannabis products, hemp products, and other products authorized by law to customers and patients.

Wholesaler

Wholesalers may purchase and/or sell immature cannabis plants and seedlings, cannabis, cannabis products, and hemp products from another licensed cannabis business.

Wholesalers may also import hemp-derived consumer products and lower-potency hemp edibles.

License Types (continued)

Transporter

Transporters may transport immature cannabis plants and seedlings, cannabis, cannabis products, and hemp products to licensed cannabis businesses.

Testing Facility

Testing facilities may obtain and test immature cannabis plants and seedlings, cannabis, cannabis products, and hemp products from licensed cannabis businesses.

Event Organizer

Event organizers may organize a temporary cannabis event lasting no more than four days.

Delivery Service

Delivery services may purchase cannabis, cannabis products, and hemp products from retailers or cannabis business with retail endorsements for transport and delivery to customers.

Medical Cannabis Combination Business

Medical cannabis combination businesses may cultivate cannabis and manufacture cannabis and hemp products, and package such products for sale to customers, patients, or another licensed cannabis business. Medical cannabis combination businesses may operate up to one retail location in each congressional district.

Lower-Potency Hemp Edible Manufacturer

Lower-potency hemp edible manufacturers may manufacture and package lower-potency hemp edibles for consumer sale, and sell hemp concentrate and lower-potency hemp edibles to other cannabis and hemp businesses.

Lower-Potency Hemp Edible Retailer

Lower-potency hemp edible retailers may sell lower-potency hemp edibles to customers.

Each license is subject to further restrictions on allowable activities. Maximum cultivation area and manufacturing allowances vary by license type. Allowable product purchase, transfer, and sale between licensees are subject to restrictions in the law.

The Adult-Use Cannabis Law

Minnesota's new adult-use cannabis law permits the personal use, possession, and transportation of cannabis by those 21 years of age and older, and allows licensed businesses to conduct cultivation, manufacturing, transport, delivery, and sale of cannabis and cannabis products.

For Individuals

- **Possession limits:**
 - Flower - 2 oz. in public, 2 lbs. in private residence
 - Concentrate - 8 g
 - Edibles (including lower-potency hemp) - 800 mg THC
- **Consumption** only allowed on private property or at licensed businesses with on-site consumption endorsements. Consumption not allowed in public.
- **Gifting** cannabis to another individual over 21 years old is allowed, subject to possession limits.
- **Home cultivation** is limited to four mature and four immature plants (eight total) in a single residence. Plants must be in an enclosed and locked space.
- **Home extraction** using volatile substances (e.g., butane, ethanol) is not allowed.
- **Unlicensed sales** are not allowed.



For Businesses

- **Advertising:**
 - May not include or appeal to those under 21 years old.
 - Must include proper warning statements.
 - May not include misleading claims or false statements.
 - Billboards are not allowed.
- The flow of all products through the supply chain must be tracked by the state-authorized **tracking system**.
- All products sold to consumers and patients must be **tested for contaminants**.
- **Home delivery** is allowed by licensed businesses.



The Cannabis Licensing Process

An applicant will take the following steps to proceed from application to active licensure. As described, processes vary depending on social equity status and/or whether the type of license being sought is capped or uncapped in the general licensing process.

License Preapproval: Early Mover Process for Social Equity Applicants

The license preapproval process is a one-time application process available for verified social equity applicants. State law requires OCM to open the application window on July 24, 2024, and close the window on August 12, 2024. The preapproval process is available for the following license types, and all are capped in this process: microbusiness, mezzobusiness, cultivator, retailer, wholesaler, transporter, testing facility, and delivery service.

Preapproval steps:

1. Applicant's social equity applicant (SEA) status verified.
2. Complete application and submit application fees.
3. Application vetted for minimum requirements by OCM.
4. Application (if qualified) entered into lottery drawing.
5. If selected in lottery, OCM completes background check of selected applicant and issues license preapproval.
6. Applicant with license preapproval* submits business location and amends application accordingly.
7. OCM forwards completed application to local government.
8. Local government completes certification of zoning compliance.
9. OCM conducts site inspection.
10. When regulations are adopted, license becomes active, operations may commence.

*For social equity applicants with license preapproval for microbusiness, mezzobusiness, or a cultivator license, they may begin growing cannabis plants prior to the adoption of rules if OCM receives approval from local governments in a form and manner determined by the office. This is only applicable to cultivation and does not authorize retail sales or other endorsed activities of the licenses prior to the adoption of rules.

The Cannabis Licensing Process (cont.)

The general licensing process will align with the adoption of rules and OCM will share more information about the timing of general licensing process. The general licensing process includes social equity applicants and non-social equity applicants.

General Licensing: Cultivator, Manufacturer, Retailer, Mezzobusiness

1. Complete application and submit application fees.
2. Application vetted for minimum requirements by OCM.
3. Application (if qualified) entered into lottery drawing.
4. If selected in lottery, OCM completes background check of selected applicant and issues preliminary approval.
5. Applicant with preliminary approval submits business location and amends application accordingly.
6. OCM forwards completed application to local government.
7. Local government completes certification of zoning compliance.
8. OCM conducts site inspection.
9. License becomes active, operations may commence.*

General Licensing: Microbusiness, Wholesaler, Transporter, Testing Facility, Event Organizer

1. Complete application and submit application fees.
2. Application vetted for minimum requirements by OCM.
3. For qualified applicants, OCM completes background check of vetted applicant and issues preliminary approval.
4. Selected applicant submits business location and amends application accordingly.
5. OCM forwards completed application to local government.
6. Local government completes certification of zoning compliance.
7. OCM conducts site inspection.
8. License becomes active, operations may commence.*

*For businesses seeking a retail endorsement (microbusiness, mezzobusiness, and retailer), a valid local retail registration is required prior to the business commencing any retail sales. See Page 16 for information on the local retail registration process.

General Authorities

Local governments in Minnesota have various means of oversight over the cannabis market, as provided by the adult-use cannabis law. Local governments may not issue outright bans on cannabis business, or limit operations in a manner beyond what is provided by state law.

Cannabis Retail Restrictions (342.13)

Local governments may limit the number of retailers and microbusiness/mezzobusinesses with retail endorsements allowed within their locality, as long as there is **at least one retail location per 12,500 residents**. Local units of government are not obligated to seek out a business to register as cannabis business if they have not been approached by any potential applicants, but cannot prohibit the establishment of a business if this population requirement is not met. Local units of government may also issue more than the minimum number of registrations. Per statutory direction, a municipal cannabis store (Page 19) cannot be included in the minimum number of registrations required. For population counts, the state demographer estimates will likely be utilized.

Tribal Governments (342.13)

OCM is prohibited from and will not issue state licenses to businesses in Indian Country without consent from a tribal nation. Tribal nations hold the authority to license tribal cannabis businesses on tribal lands – this process is separate than OCM’s licensing process and authority. Subject to compacting, Tribal nations may operate cannabis businesses off tribal lands. There will be more information available once the compacting processes are complete.

Taxes (295.81; 295.82)

Retail sales of taxable cannabis products are subject to the state and local sales and use tax and a 10% gross receipts tax. Cannabis gross receipts tax proceeds are allocated as follows: 20% to the local government cannabis aid account and 80% to the state general fund. Local taxes imposed solely on sale of cannabis products are prohibited.

Cannabis retailers will be subject to the same real property tax classification as all other retail businesses. Real property used for raising, cultivating, processing, or storing cannabis plants, cannabis flower, or cannabis products for sale will be classified as commercial and industrial property.

General Authorities (cont.)

Retail Timing Restrictions (342.13)

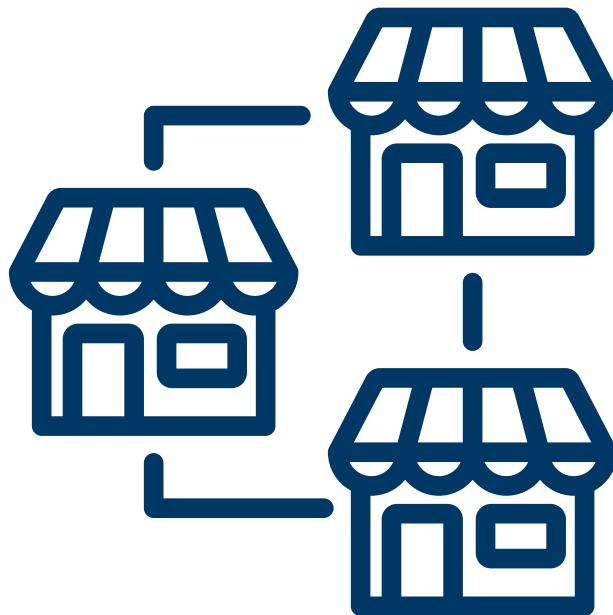
Local governments may prohibit retail sales of cannabis between the hours of 8 a.m. and 10 a.m. Monday-Saturday, and 9 p.m. and 2 a.m. the following day.

Operating Multiple Locations with One License

Certain cannabis licenses allow for multiple retail locations to be operated under a single license, with the following limitations:

- **Retailers:** up to five retail locations.
- **Mezzobusinesses:** up to three retail locations.
- **Microbusinesses:** up to one retail location.
- **Medical cannabis combination businesses:** one retail location per congressional district. Additionally, medical cannabis combination businesses may cultivate at more than one location within other limitations on cultivation.

For all other license types, one license permits the operation of one location. Each retail location requires local certification and/or registration.



Zoning and Land Use

Buffer Guidelines (342.13)

State law does not restrict how a local government conducts its zoning designations for cannabis businesses, except that they may prohibit the operation of a cannabis business within 1,000 feet of a school, or 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including playgrounds and athletic fields.

Zoning Guidelines

While each locality conducts its zoning differently, a few themes have emerged across the country. For example, cannabis manufacturing facilities are often placed in industrial zones, while cannabis retailers are typically found in commercial/retail zones. Cannabis retail facilities align with general retail establishments and are prohibited from allowing consumption or use onsite, and are also required to have plans to prevent the visibility of cannabis and hemp-derived products to individuals outside the retail location. Industrial hemp is an agricultural product, and should be zoned as such.

Cannabis businesses should be zoned under existing zoning ordinances in accordance with the license type or endorsed activities held by the cannabis business. Note that certain types of licenses may be able to perform multiple activities which may have different zoning analogues. In the same way municipalities may zone a microbrewery that predominately sells directly to onsite consumers differently than a microbrewery that sells packaged beer to retailers and restaurants, so too might a municipality wish to zone two microbusinesses based on the actual activities that each business is undertaking. Table 1, included on Pages 13 and 14, explains the types of activities that cannabis businesses might undertake, as well as, some recommended existing zoning categories.

Zoning and Land Use (cont.)

Table 1: Cannabis and Hemp Business Activities

Endorsed Activity	License Type Eligible to Do Endorsed Activity	Description of Activity	Comparable Districts	Municipal Considerations
Cultivation	Cultivator Mezzobusiness Microbusiness Medical Cannabis Combination	"Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis plants, cannabis flower, hemp plants, or hemp plant parts.	Indoor: Industrial, Commercial, Production Outdoor: Agricultural	Odor Potential need for transportation from facility Waste, water, and energy usage Security
Cannabis Manufacturing, Processing, Extraction	Manufacturer Mezzobusiness Microbusiness Medical Cannabis Combination	This group of endorsed activities turn raw, dried cannabis and cannabis parts into other types of cannabis products, e.g. edibles or topicals.	Industrial, Commercial, Production	Odor Potential need for transportation from facility Waste, water, and energy usage Security
Hemp Manufacturing	Lower-Potency Hemp Edible (LPHE) Manufacturing	These business convert hemp into LPHE edible products.	Industrial, Commercial, Production	Odor Waste, water, and energy
Wholesale	Wholesale Cultivator Manufacturer Mezzobusiness Microbusiness Medical Cannabis Combination	This activity and license type allows a business to purchase from a business growing or manufacturing cannabis or cannabis products and sell to a cannabis business engaged in retail.	Industrial, Commercial, Production	Need for transportation from facility Security

Zoning and Land Use (cont.)

Table 1: Cannabis and Hemp Business Activities (continued)

Endorsed Activity	License Type Eligible to Do Endorsed Activity	Description of Activity	Comparable Districts	Municipal Considerations
Cannabis Retail	Retail Mezzobusiness Microbusiness Medical Cannabis Combination	This endorsed activity and license types allow a business to sell cannabis and cannabis products directly to consumers.	Retail, Neighborhood Shopping Districts, Light Industrial, Existing districts where off-sale liquor or tobacco sales are allowed.	Micros may offer onsite consumption, similar to breweries. Micros and Mezzos may include multiple activities: cultivation, manufacture, and/or retail.
Transportation	Cannabis Transporter	This license type allows a company to transport products from one license type to another.		Fleet based business that will own multiple vehicles, but not necessarily hold a substantial amount of cannabis or cannabis products.
Delivery	Cannabis Delivery	This license type allows for transportation to the end consumer.		Fleet based business that will own multiple vehicles, but not necessarily hold a substantial amount of cannabis or cannabis products.
Events	Event Organizer	This license entitles license holder to organizer a temporary event lasting no more than four days.	Anywhere that the city permits events to occur, subject to other restrictions related to cannabis use.	On site consumption. Retail sales by a licensed or endorsed retail business possible.

Local Approval Process

Local governments play a critical role in the licensing process, serving as a near-final approval check on cannabis businesses nearing the awarding of a state license for operations. Once an applicant has been vetted by OCM and is selected for proceeding in the verification process, they are then required to receive the local government's certification of zoning compliance and/or local retail registration before operations may commence.



Local Certification of Zoning Compliance (342.13; 342.14)

Following OCM's vetting process, local governments must **certify** that the applicant with preliminary approval has achieved **compliance with local zoning ordinances** prior to the licensee receiving final approval from OCM to commence operations.

During the application and licensing process for cannabis businesses, OCM will notify a local government when an applicant intends to operate within their jurisdiction and request a certification as to whether a proposed cannabis business complies with local zoning ordinances, and if applicable, whether the proposed business complies with state fire code and building code.

According to Minnesota's cannabis law, a local unit of government has 30 days to respond to this request for certification of compliance. If a local government does not respond to OCM's request for certification of compliance within the 30 days, the cannabis law allows OCM to issue a license. OCM may not issue the final approval for a license if the local government has indicated they are not in compliance.

OCM will work with local governments to access the licensing software system to complete this zoning certification process.

Local Approval Process (cont.)

Local Retail Registration Process (342.22)

Once the licensing process begins, local government registration applies to cannabis retailers or other cannabis/hemp businesses seeking a retail endorsement. Local governments must issue a retail registration after verifying that:

- The business has a valid license or license preapproval issued by OCM.
- The business has paid a registration fee or renewal fee to the local government;
 - Initial registration fees collected by a local government may be \$500 or half the amount of the applicable initial license fee, whichever is less, and renewal registration fees may be \$1,000 or half the amount of the applicable renewal license fee, whichever is less.
- The business is found to be in compliance with Chapter 342 and local ordinances.
- If applicable, the business is current on all property taxes and assessments for the proposed retail location.

Local registrations may also be issued by counties if the respective local government transfers such authorities to the county.

Determining a Process for Limiting Retail Registrations

If a local government wishes to place a limitation on the number of retailers and microbusiness/mezzobusinesses with retail endorsements allowed within their locality (as long as there is at least one retail location per 12,500 residents, see Page 10), state law does not define the process for a local government's selection if there are more applicants than registrations available. A few options for this process include the use of a lottery, a first-come/first-serve model, a rolling basis, and others. Local governments should work with an attorney to determine their specific process for selection if they wish to limit the number of licensed cannabis retailers per 342.13. Local governments are not required to limit the number of licensed cannabis retailers.

Local Approval Process (cont.)

Local governments are permitted specific authorities for registration refusal and registration suspension, in addition to—and not in conflict with—OCM authorities.

Registration and Renewal Refusals

Local governments may refuse the registration and/or certification of a license renewal if the license is associated with an individual or business who no longer holds a valid license, has failed to pay the local registration or renewal fee, or has been found in noncompliance in connection with a preliminary or renewal compliance check.



Local Registration Suspension (342.22)

Local governments may suspend the local retail registration of a cannabis business or hemp business if the business is determined to not be operating in compliance with a local ordinance authorized by 342.13 or if the operation of the business poses an immediate threat to the health and safety of the public. The local government must immediately notify OCM of the suspension if it occurs. OCM will review the suspension and may reinstate the registration or take enforcement action.

Expedited Complaint Process (342.13)

Per state law, OCM will establish an expedited complaint process during the rulemaking process to receive, review, read, and respond to complaints made by a local unit of government about a cannabis business. Upon promulgation of rules, OCM will publish the complaint process.

At a minimum, the expedited complaint process shall require the office to provide an initial response to the complaint within seven days and perform any necessary inspections within 30 days. Within this process, if a local government notifies OCM that a cannabis business poses an immediate threat to the health or safety of the public, the office must respond within one business day.

Inspections & Compliance Checks

Local governments are permitted specific business inspection and compliance check authorities, in addition to—and not in conflict with—OCM authorities.

Inspections and Compliance Checks (342.22)

Local governments must conduct **compliance checks** for cannabis and hemp businesses holding retail registration **at least once per calendar year**. These compliance checks must verify compliance with age verification procedures and compliance with any applicable local ordinance established pursuant to 342.13. OCM maintains inspection authorities for all cannabis licenses to verify compliance with operation requirements, product limits, and other applicable requirements of Chapter 342.



Municipal Cannabis Stores

As authorized in Chapter 342.32, local governments are permitted to apply for a cannabis retail license to establish and operate a municipal cannabis store.

State law requires OCM issue a license to a city or county seeking to operate a single municipal cannabis store if the city or county:

- Submits required application information to OCM,
- Meets minimum requirements for licensure, and
- Pays applicable application and license fee.

A municipal cannabis store will not be included in the total count of retail licenses issued by the state under Chapter 342.

A municipal cannabis store cannot be counted as retail registration for purposes of determining whether a municipality's cap on retail registrations imposed by ordinance.



Creating Your Local Ordinance

As authorized in 342.13, a local government may adopt a local ordinance regarding cannabis businesses. Establishing local governments' ordinances on cannabis businesses in a timely manner is critical for the ability for local cities or towns to establish local control as described in the law, and is necessary for the success of the statewide industry and the ability of local governments to protect public health and safety. The cannabis market's potential to create jobs, generate revenue, and contribute to economic development at the local and state level is supported through local ordinance work. The issuance of local certifications and registrations to prospective cannabis businesses is also dependent on local ordinances.

- Local governments may not prohibit the possession, transportation, or use of cannabis, or the establishment or operation of a cannabis business licensed under state law.
- Local governments may adopt reasonable restrictions on the time, place, and manner of cannabis business operations (see Page 11).
- Local governments may adopt interim ordinances to protect public safety and welfare, as any studies and/or further considerations on local cannabis activities are being conducted, until January 1, 2025. A public hearing must be held prior to adoption of an interim ordinance.
- If your local government wishes to operate a municipal cannabis store, the establishment and operation of such a facility must be considered in a local ordinance.



Model Ordinance

For additional guidance regarding the creation of a cannabis related ordinance, please reference the addendum in this packet.

Additional Resources

OCM Toolkit for Local Partners

Please visit OCM webpage (mn.gov/ocm/local-governments/) for additional information, including a toolkit of resources developed specifically for local government partners. The webpage will be updated as additional information becomes available and as state regulations are adopted.

These resources are also included in the addendum of this packet.

Toolkit resources include:

- Appendix A: Model Ordinance
- Appendix B: Hemp Flower and Hemp-Derived Cannabinoid Product Checklist
- Appendix C: Enforcement Notice from the Office of Cannabis Management
- Appendix D: Notice to Unlawful Cannabis Sellers

Local Organizations

There are several organizations who also have developed resources to support local governments regarding the cannabis industry. Please feel free to contact the following for additional resources:

- League of Minnesota Cities
- Association of Minnesota Counties
- Minnesota Public Health Law Center

Appendix A: Model Ordinance

Cannabis Model Ordinance

The following model ordinance is meant to be used as a resource for cities, counties, and townships within Minnesota. The italicized text in red is meant to provide commentary and notes to jurisdictions considering using this ordinance and should be removed from any ordinance formally adopted by said jurisdiction. Certain items are not required to be included in the adopted ordinance: 'OR' and (optional) are placed throughout for areas where a jurisdiction may want to consider one or more choices on language.

Section 1	Administration
Section 2	Registration of Cannabis Business
Section 3	Requirements for a Cannabis Business (Time, Place, Manner)
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AN ORDINANCE OF THE (CITY/COUNTY OF _____) TO REGULATE CANNABIS BUSINESSES

The (city council/town board/county board) of (city/town/county) hereby ordains:

Section 1. Administration

1.1 Findings and Purpose

(insert local authority) makes the following legislative findings:

The purpose of this ordinance is to implement the provisions of Minnesota Statutes, chapter 342, which authorizes (insert local authority) to protect the public health, safety, welfare of (insert local here) residents by regulating cannabis businesses within the legal boundaries of (insert local here).

(insert local authority) finds and concludes that the proposed provisions are appropriate and lawful land use regulations for (insert local here), that the proposed amendments will promote the community's interest in reasonable stability in zoning for now and in the future, and that the proposed provisions are in the public interest and for the public good.

1.2 Authority & Jurisdiction

A county can adopt an ordinance that applies to unincorporated areas and cities that have delegated authority to impose local zoning controls.

(insert local authority) has the authority to adopt this ordinance pursuant to:

- a) Minn. Stat. 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. 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. 152.0263, Subd. 5, regarding the use of cannabis in public places.
- d) Minn. Stat. 462.357, regarding the authority of a local authority to adopt zoning ordinances.

Ordinance shall be applicable to the legal boundaries of (insert local here).

(Optional) (insert city here) has delegated cannabis retail registration authority to (insert county here). However, (insert city here) may adopt ordinances under Sections (2.6, 3 and 4) if (insert county here) has not adopted conflicting provisions.

1.3 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.

1.4 Enforcement

The elected body of a jurisdiction can choose to designate an official to administer and enforce this ordinance.

The (insert name of local government or designated official) 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.

1.5 Definitions

1. Unless otherwise noted in this section, words and phrases contained in Minn. Stat. 342.01 and the rules promulgated pursuant to any of these acts, shall have the same meanings in this ordinance.
2. 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.
3. 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.

4. 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.
5. 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.
6. Lower-potency Hemp Edible: As defined under Minn. Stat. 342.01 subd. 50.
7. Office of Cannabis Management: Minnesota Office of Cannabis Management, referred to as "OCM" in this ordinance.
8. 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.
9. Preliminary License Approval: OCM pre-approval for a cannabis business license for applicants who qualify under Minn. Stat. 342.17.
10. 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.
11. Residential Treatment Facility: As defined under Minn. Stat. 245.462 subd. 23.
12. Retail Registration: An approved registration issued by the (insert local here) to a state-licensed cannabis retail business.
13. School: A public school as defined under Minn. Stat. 120A.05 or a nonpublic school that must meet the reporting requirements under Minn. Stat. 120A.24.
14. State License: An approved license issued by the State of Minnesota's Office of Cannabis Management to a cannabis retail business.

Section 2. Registration of Cannabis Businesses

A city or town can delegate authority for registration to the County. A city or town can still adopt specific requirement regarding zoning, buffers, and use in public places, provided said requirements are not in conflict with an ordinance adopted under the delegated authority granted to the County.

2.1 Consent to registering of Cannabis Businesses

No individual or entity may operate a state-licensed cannabis retail business within (insert local here) without first registering with (insert local here).

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 \$2,000) for each violation.

Notwithstanding the foregoing provisions, the state shall not issue a license to any cannabis business to operate in Indian country, as defined in United States Code, title 18, section 1151, of a Minnesota Tribal government without the consent of the Tribal government.

2.2 Compliance Checks Prior to Retail Registration

A jurisdiction can choose to conduct a preliminary compliance check prior to issuance of retail registration.

Prior to issuance of a cannabis retail business registration, (insert local here) (shall/shall not) conduct a preliminary compliance check to ensure compliance with local ordinances.

Pursuant to Minn. Stat. 342, within 30 days of receiving a copy of a state license application from OCM, (insert local here) 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.

2.3 Registration & Application Procedure

2.3.1 Fees.

(insert local here) shall not charge an application fee.

A registration fee, as established in (insert local here)'s fee schedule, shall be charged to applicants depending on the type of retail business license applied for.

An initial retail registration fee shall not exceed \$500 or half the amount of an initial state license fee under Minn. Stat. 342.11, whichever is less. The initial registration fee shall include the initial retail registration fee and the first annual renewal fee.

Any renewal retail registration fee imposed by (insert local here) shall be charged at the time of the second renewal and each subsequent renewal thereafter.

A renewal retail registration fee shall not exceed \$1,000 or half the amount of a renewal state license fee under Minn. Stat. 342.11, whichever is less.

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.

2.3.2 Application Submittal.

The (insert local here) shall issue a retail registration to a state-licensed cannabis retail business that adheres to the requirements of Minn. Stat. 342.22.

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

- i. Full name of the property owner and applicant;
- ii. Address, email address, and telephone number of the applicant;
- iii. The address and parcel ID for the property which the retail registration is sought;
- iv. Certification that the applicant complies with the requirements of local ordinances established pursuant to Minn. Stat. 342.13.
- v. (Insert additional standards here)

(B) The applicant shall include with the form:

- i. the application fee as required in [Section 2.3.1];
 - ii. a copy of a valid state license or written notice of OCM license preapproval;
 - iii. (Insert additional standards here)
- (C) Once an application is considered complete, the (insert local government designee) shall inform the applicant as such, process the application fees, and forward the application to the (insert staff/department, or elected body that will approve or deny the request) for approval or denial.
- (D) The application fee shall be non-refundable once processed.

2.3.3 Application Approval

- (A) (Optional) 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 2.6.
- (B) 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.
- (C) A state-licensed cannabis retail business application that meets the requirements of this ordinance shall be approved.

2.3.4 Annual Compliance Checks.

The (insert local here) shall complete at minimum one compliance check per calendar year of every cannabis business to assess if the business meets age verification requirements, as required under [Minn. Stat. 342.22 Subd. 4(b) and Minn. Stat. 342.24] and this/these [chapter/section/ordinances].

The (insert local here) shall conduct at minimum one unannounced age verification compliance check at least once 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 local unit of government.

Any failures under this section must be reported to the Office of Cannabis Management.

2.3.5 Location Change

A jurisdiction may decide to treat location changes as a new registration, or alternatively treat a location change as allowable subject to compliance with the rest of the registration process.

A state-licensed cannabis retail business shall be required to submit a new application for registration under Section 2.3.2 if it seeks to move to a new location still within the legal boundaries of (insert local here).

or

If a state-licensed cannabis retail business seeks to move to a new location still within the legal boundaries of (insert local here), it shall notify (insert local here) of the proposed location change, and submit necessary information to meet all the criteria in this paragraph.

2.4 Renewal of Registration

The (insert local here) shall renew an annual registration of a state-licensed cannabis retail business at the same time OCM renews the cannabis retail business' license.

A state-licensed cannabis retail business shall apply to renew registration on a form established by (insert local here).

A cannabis retail registration issued under this ordinance shall not be transferred.

2.4.1 Renewal Fees.

The (insert local here) may charge a renewal fee for the registration starting at the second renewal, as established in (insert local here)'s fee schedule.

2.4.2 Renewal Application.

The application for renewal of a retail registration shall include, but is not limited to:

- Items required under Section 2.3.2 of this Ordinance.
- Insert additional items here

2.5 Suspension of Registration

2.5.1 When Suspension is Warranted.

The (insert local here) may suspend a cannabis retail business's registration if it violates the ordinance of (insert local here) or poses an immediate threat to the health or safety of the public. The (insert local here) shall immediately notify the cannabis retail business in writing the grounds for the suspension.

2.5.2 Notification to OCM.

The (insert local here) shall immediately notify the OCM in writing the grounds for the suspension. OCM will provide (insert local here) and cannabis business retailer a response to the complaint within seven calendar days and perform any necessary inspections within 30 calendar days.

2.5.3 Length of Suspension.

A jurisdiction can wait for a determination from the OCM before reinstating a registration.

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.

The (insert local here) may reinstate a registration if it determines that the violations have been resolved.

The (insert local here) shall reinstate a registration if OCM determines that the violation(s) have been resolved.

2.5.4 Civil Penalties.

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

2.6 Limiting of Registrations

A jurisdiction may choose to set a limit on the number of retail registrations within its boundaries. The jurisdiction may not however, limit the number of registrations to fewer than one per 12,500 residents.

(Optional) The (insert local here) shall limit the number of cannabis retail businesses to no fewer than one registration for every 12,500 residents within (insert local legal boundaries here).

(Optional) If (insert county here) has one active cannabis retail businesses registration for every 12,500 residents, the (insert local here) shall not be required to register additional state-licensed cannabis retail businesses.

(Optional) The (insert local here) shall limit the number of cannabis retail businesses to (insert number <= minimum required).

Section 3. Requirements for Cannabis Businesses

State Statutes note that jurisdictions may “adopt reasonable restrictions on the time, place, and manner of the operation of a cannabis business.” A jurisdiction considering other siting requirements (such as a buffer between cannabis businesses, or a buffer from churches) should consider whether there is a basis to adopt such restrictions.

3.1 Minimum Buffer Requirements

A jurisdiction can adopt buffer requirements that prohibit the operation of a cannabis business within a certain distance of schools, daycares, residential treatment facilities, or from an attraction within a public park that is regularly used by minors, including a playground or athletic field. Buffer requirements are optional. A jurisdiction cannot adopt larger buffer requirements than the requirements here in Section 3.1. A jurisdiction should use a measuring system consistent with the rest of its ordinances, e.g. from lot line or center point of lot.

(Optional) The (insert local here) shall prohibit the operation of a cannabis business within [0-1,000] feet of a school.

(Optional) The (insert local here) shall prohibit the operation of a cannabis business within [0-500] feet of a day care.

(Optional) The (insert local here) shall prohibit the operation of a cannabis business within [0-500] feet of a residential treatment facility.

(Optional) The (insert local here) shall prohibit the operation of a cannabis business within [0-500] feet of an attraction within a public park that is regularly used by minors, including a playground or athletic field.

(Optional) The (insert local here) shall prohibit the operation of a cannabis retail business within [X] feet of another cannabis retail business.

Pursuant to Minn. Stat. 462.367 subd. 14, nothing in Section 3.1 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.

3.2 Zoning and Land Use

For jurisdictions with zoning, said jurisdiction can limit what zone(s) Cannabis businesses can operate in. As with other uses in a Zoning Ordinance, a jurisdiction can also determine if such use requires a Conditional or Interim Use permit. A jurisdiction cannot outright prohibit a cannabis business. A jurisdiction should amend their Zoning Ordinance and list what zone(s) Cannabis businesses are permitted in, and whether they are permitted, conditional, or interim uses. While each locality conducts its zoning differently, a few themes have emerged across the country. For example, cannabis manufacturing facilities are often placed in industrial zones, while cannabis retailers are typically found in commercial/retail zones. Cannabis retail facilities align with general retail establishments and are prohibited from allowing consumption or use onsite and are also required to have plans to prevent the visibility of cannabis and hemp-derived products to individuals outside the retail location. Cannabis businesses should be zoned under existing zoning ordinances in accordance with the license type or endorsed activities held by the cannabis business.

3.2.1. Cultivation.

Cannabis businesses licensed or endorsed for cultivation are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

3.2.1. Cannabis Manufacturer.

Cannabis businesses licensed or endorsed for cannabis manufacturer are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

3.2.1. Hemp Manufacturer.

Businesses licensed or endorsed for low-potency hemp edible manufacturers permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

3.2.1. Wholesale.

Cannabis businesses licensed or endorsed for wholesale are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

3.2.1. Cannabis Retail.

Cannabis businesses licensed or endorsed for cannabis retail are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

3.2.1. Cannabis Transportation.

Cannabis businesses licensed or endorsed for transportation are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

3.2.1. Cannabis Delivery.

Cannabis businesses licensed or endorsed for delivery are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

3.3 Hours of Operation

A jurisdiction may adopt an ordinance limiting hours of operation to the hours between 10 a.m. and 9 p.m., seven days a week. State statute prohibits the sale of cannabis between 2 a.m. and 8 a.m., Monday through Saturday, and between 2 a.m. and 10 a.m. on Sundays.

(Optional) Cannabis businesses are limited to retail sale of cannabis, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products between the hours of (insert time here) and (insert time here).

3.4 (Optional) Advertising

Cannabis businesses are permitted to erect up to two fixed signs on the exterior of the building or property of the business, unless otherwise limited by (insert local here)'s sign ordinances.

Section 4. Temporary Cannabis Events

Any individual or business seeking to obtain a cannabis event license must provide OCM information about the time, location, layout, number of business participants, and hours of operation. A cannabis event organizer must receive local approval, including obtaining any necessary permits or licenses issued by a local unit of government before holding a cannabis event.

4.1 License or Permit Required for Temporary Cannabis Events

4.1.1 License Required.

A cannabis event organizer license entitles the license holder to organize a temporary cannabis event lasting no more than four days. A jurisdiction should determine what type of approval is consistent with their existing ordinances for events.

A license or permit is required to be issued and approved by (insert local here) prior to holding a Temporary Cannabis Event.

4.1.2 Registration & Application Procedure

A registration fee, as established in (insert local here)'s fee schedule, shall be charged to applicants for Temporary Cannabis Events.

4.1.3 Application Submittal & Review.

The (insert local here) shall require an application for Temporary Cannabis Events.

- (A) An applicant for a retail registration shall fill out an application form, as provided by the (insert local here). Said form shall include, but is not limited to:
 - i. Full name of the property owner and applicant;
 - ii. Address, email address, and telephone number of the applicant;
 - iii. (Insert additional standards here)
- (B) The applicant shall include with the form:
 - i. the application fee as required in (Section 4.1.2);
 - ii. a copy of the OCM cannabis event license application, submitted pursuant to 342.39 subd. 2.

The application shall be submitted to the (insert local authority), or other designee for review. If the designee determines that a submitted application is incomplete, they shall return the application to the applicant with the notice of deficiencies.

(C) Once an application is considered complete, the designee shall inform the applicant as such, process the application fees, and forward the application to the (insert staff/department, or elected body that will approve or deny the request) for approval or denial.

(D) The application fee shall be non-refundable once processed.

(E) The application for a license for a Temporary Cannabis Event shall meet the following standards:

A jurisdiction may establish standards for Temporary cannabis events which the event organizer must meet, including restricting or prohibiting any on-site consumption. If there are public health, safety, or welfare concerns associated with a proposed cannabis event, a jurisdiction would presumably be authorized to deny approval of that event.

- **Insert standards here**

(G) A request for a Temporary Cannabis Event 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 (insert city/town/county) shall notify the applicant of the standards not met and basis for denial.

(Optional) Temporary cannabis events shall only be held at **(insert local place)**.

(Optional) Temporary cannabis events shall only be held between the hours of **(insert start time)** and **(insert stop time)**.

Section 5. (Optional) Lower-Potency Hemp Edibles

A jurisdiction can establish different standards or requirements regarding Low-Potency Edibles. A jurisdiction can consider including the following section and subsections in their cannabis ordinance.

5.1 Sale of Low-Potency Hemp Edibles

The sale of Low-Potency Edibles is permitted, subject to the conditions within this Section.

5.2 Zoning Districts

If sales are permitted, a jurisdiction can limit what zone(s) the sales of Low-Potency Edibles can take place in. A jurisdiction can also determine if such activity requires a Conditional or Interim Use permit.

Low-Potency Edibles businesses are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

5.3 (Optional) Additional Standards

5.3.1 Sales within Municipal Liquor Store.

A jurisdiction that already operates a Municipal Liquor Store may sell Low-Potency Edibles within the same store.

The sale of Low-Potency Edibles is permitted in a Municipal Liquor Store.

5.3.2 Age Requirements.

A jurisdiction is able to restrict the sale of Low-Potency Edibles to locations such as bars.

The sale of Low-Potency Edibles is permitted only in places that admit persons 21 years of age or older.

5.3.3 Beverages.

The sale of Low-Potency Hemp Beverages is permitted in places that meet requirements of this Section.

5.3.4 Storage of Product.

A jurisdiction is able to set requirements on storage and sales of Low-Potency Edibles.

Low-Potency Edibles shall be sold behind a counter, and stored in a locked case.

Section 6. (Optional) Local Government as a Cannabis Retailer

(insert local here) may establish, own, and operate one municipal cannabis retail business subject to the restrictions in this chapter.

The municipal cannabis retail store shall not be included in any limitation of the number of registered cannabis retail businesses under Section 2.6.

(insert local here) shall be subject to all same rental license requirements and procedures applicable to all other applicants.

Section 7 Use in Public Places

No person shall use cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a public place or a place of public accommodation unless the premises is an establishment or an event licensed to permit on-site consumption of adult-use.

Appendix B: Hemp Flower and Hemp-Derived Cannabinoid Product Checklist



Office of Cannabis Management
 Department of Health

Hemp Flower and Hemp-Derived Cannabinoid Product Checklist

Minnesota Statute 18K.02, Definitions
 Minnesota Statute 152.01, Subdivision 9
 Minnesota Statute 151.72, Sale of Certain Cannabinoid Products

Minnesota Statute 152.0264, Cannabis Sale Crimes
 Minnesota Statute 342.09, Personal Adult Use of Cannabis

Question	Yes	No	Comments	Additional Information
Business License and Registration Compliance				
Is the business registered with the Minnesota Department of Health?				All businesses selling hemp-derived cannabinoid products must be registered. See Hemp-Derived Cannabinoid Products (www.health.state.mn.us/people/cannabis/edibles/index.html)
If the business offers on-site consumption, do they have a liquor license?				Local authorities issue on-site consumption licenses. These are required for all businesses permitting on-site consumption of THC.
Product Compliance – All Products				
Does the business ensure that all sales are made to persons 21 years old or older?				Only persons 21 years of age or older may purchase hemp-derived cannabinoid products, with the exception of topicals. These products may be sold to anyone.
Does the business have all edible cannabinoid products, except beverages, behind the counter or in a locked cabinet?				Businesses must ensure all edible cannabinoid products are secure and inaccessible to customers.

Question	Yes	No	Comments	Additional Information
Only delta-8 and delta-9 are allowed for human consumption. Does the business sell edibles or beverages with any other intoxicating cannabinoids?				MDH has identified products containing many different intoxicating cannabinoids, such as HHC, THC-O, THC-P, PHC, delta-10, delta-11, delta-8p, delta-9p, etc. The product must contain only delta-8 and/or delta-9.
Does the business sell any edible products that are similar to a product marketed to or consumed by children?				Edible products that appear similar to candy or snacks marketed toward or consumed by children are not allowed.
Does the label on the edible or beverage state “Keep out of reach of children”?				All products must include the warning label “Keep out of reach of children.”
Is the manufacturer’s name, address, website, and contact phone number included on the label or provided through a QR code?				If not, the product is not in compliance.
Does the QR code on the product bring the user to a Certificate of Analysis on the website, which includes the name of the independent testing laboratory, cannabinoid profile, and product batch number?				All products must be tested by batch in an independent, accredited laboratory. The results must include the cannabinoid profile.
Does the label on the product indicate the cannabinoids by serving and in total?				The label must indicate the potency by individual serving as well as in total.

Question	Yes	No	Comments	Additional Information
Does the label on the product make any claim the product offers any kind of health benefit?				Health claims are not permitted on hemp or cannabis products unless approved by the FDA. At this time, there is not an approved statement.
Does the label on the product state that the product does not claim to diagnose, treat, cure or prevent any disease?				The manufacturer cannot claim the product will provide any health benefit unless the product has been formally approved by the FDA.
Does the business sell CBD (or other forms of cannabidiol) in the form of a softgel, tablet, or tincture?				Non-intoxicating cannabinoids may only be sold in the form of an edible, beverage, or topical. Therefore, softgels and tablets cannot be sold. Tinctures must be labeled as either an edible or beverage and comply with the edible or beverage requirements.
Product Compliance – Edibles				
Does the edible product contain more than 5 mg delta-8 and/or delta-9 per serving?				Edibles may not exceed 5 mg delta-8 and/or delta-9 per serving.
Does the edible product package/container contain more than 50 mg total THC (delta-8 and/or delta-9)?				Edibles may not exceed 50 mg total delta-8 or delta-9 per package. The edible cannot contain any other form of THC or intoxicating cannabinoid.
Are all the edible product's servings clearly marked, wrapped, or scored <u>on</u> the product?				Edible product servings must be clearly distinguished on the product. Bulk products that require the consumer to measure are not allowed.

Question	Yes	No	Comments	Additional Information
Does the business sell any edible products in the shape of bears, worms, fruits, rings, ribbons?				Edibles in shapes that appeal to children are not allowed.
Is the edible product in a child-proof, tamper-evident, opaque container?				All edibles must be in a container that is child-resistant and tamper evident. If the container is clear, the business must place the edible into an opaque bag at the point of sale. Clear bags are not allowed.
Product Compliance - Beverages				
Does the beverage product contain more than 5 mg delta-8 or delta-9 per serving?				Beverages may not exceed 5 mg delta-8 and/or delta-9 per serving.
Does the beverage product contain more than 2 servings?				Beverages cannot exceed two servings, regardless of the THC potency.
Is the beverage product in an opaque container?				If the beverage is in a clear container, the business must place the beverage in an opaque bag at the point of sale.
Product Compliance – Smokables (non-flower)				
Does the business sell vapes, pre-rolls, dabs, or other smokable products which contain more than 0.3% THC?				<p>A product’s certificate of analysis will show the concentration of THC the product contains. The certificate typically is found through the QR code on the product package. In MDH’s experience, most vapes contain 50% - 90%+ THC.</p> <p>Pre-rolls may consist of raw hemp flower. These products are not regulated by 151.72. However, if a pre-roll is labeled as “infused” or “coated” have additional cannabinoids applied to the material, of which the product typically exceeds the 0.3% THC limit.</p>

Question	Yes	No	Comments	Additional Information
Does the business sell vapes, pre-rolls, dabs, or other smokeable products that contain other intoxicating cannabinoids, such as HHC?				MN Statutes do not allow any cannabinoid, other than delta-8 or delta-9, to be sold if the cannabinoid is intended to alter the structure or function of the body. HHC is a cannabinoid known to have potency greater than THC.
Does the business sell vapes, pre-rolls, dabs, or other smokable products which contain CBD?				Non-intoxicating cannabinoids cannot be smoked, vaped, or inhaled.
Product Compliance – Flower				
Does the business sell raw hemp flower?				<p>Raw hemp flower must contain 0.3% or less of delta-9 on a dry weight basis. Products exceeding 0.3% delta-9 dry weight are marijuana, and are illegal for sale.</p> <p>THC-A is the non psychoactive precursor to delta-9. Once heated THC-A converts to delta-9. In that process some amount of THC-A is lost.</p> <p>To determine whether, once heated, the hemp flower will exceed the allowable 0.3% of delta-9, one can use a decarboxylation formula which takes into account the conversion of THC-A into delta-9.</p> <p>That formula is as follows: Total THC = (0.877 X THC-A) + d-9 THC)</p> <p>Raw flower must include a certificate of analysis to show testing below 0.3% delta-9.</p> <ul style="list-style-type: none"> • A lack of a certificate of analysis would constitute an illegal sale.

Question	Yes	No	Comments	Additional Information
				<ul style="list-style-type: none"> A certificate of analysis showing that under the decarboxylation formula that delta-9 would exceed the 0.3% threshold would also indicate the flower is cannabis and not hemp and therefore being sold illegally.
Product Compliance – On-Site Consumption				
If the business offers on-site consumption, do they serve the edible or beverage in its original packaging?				The business may not pour out or remove an edible from its original packaging.
If the business offers on-site consumption, do they mix a cannabis-infused beverage with alcohol?				The business may not mix cannabis-infused products with alcohol.
If the business offers on-site consumption, do they permit customers to remove from the premises products which have been removed from their original packaging?				Products which have been removed from their original packaging cannot be removed from the premises by the customer.

NOTE: If a person suspects that a hemp-derived cannabinoid product is being sold in violation of Minnesota law, they can use the complaint form at [Submitting Hemp-Derived Cannabinoid Product Complaints \(www.health.state.mn.us/people/cannabis/edibles/complaints.html\)](http://www.health.state.mn.us/people/cannabis/edibles/complaints.html).

Appendix C: Enforcement Notice from the Office of Cannabis Management

Enforcement Notice from the Office of Cannabis Management

Dear Registered Hemp Derived Cannabinoid Business:

The Office of Cannabis Management (OCM), established in 2023, is charged with developing and implementing the operational and regulatory systems to oversee the cannabis industry in Minnesota as provided in Minnesota Statutes Chapter 342.

When Minnesota legalized the sale of adult-use of cannabis flower, cannabis products, and lower-potency hemp edibles/ hemp-derived consumer products, the Minnesota Legislature included statutory provisions, [Minnesota Statutes, chapter 152.0264](#), making the sale of cannabis illegal until a business is licensed by OCM. The Office of Cannabis Management has not yet issued licenses for the cultivation, manufacture, wholesale, transportation or retail sale of cannabis, therefore any retail sales of cannabis products, including cannabis flower, are illegal.

The Office of Cannabis Management has received complaints of retailers selling cannabis flower under the label of hemp flower. Under an agreement between The Minnesota Department of Health (MDH) and OCM, inspectors from MDH will begin to examine any flower products being sold during their regular inspections to determine whether they are indeed hemp flower or cannabis flower.

In distinguishing between hemp and cannabis flower, OCM, consistent with federal rules and regulations related to hemp under 7 CFR 990.1, will consider the total concentration of THC post- decarboxylation, which is the process by which THC-A is converted into Delta-9 to produce an intoxicating effect. The examination of raw flower products will include reviewing the certificate of analysis for compliance in several areas, including:

Compliance with the requirement that raw flower listed for sale includes a Certificate of Analysis (COA). Products for sale without a COA will constitute an illegal sale.

A COA that affirms concentrations of 0.3% or less of Delta-9 on a dry weight basis. Products exceeding 0.3% Delta-9 dry weight are considered marijuana and are therefore illegal to sell.

A COA that confirms that the total levels of Delta-9 and THC-A after the decarboxylation process do not exceed 0.3%. A COA that indicates the raw flower will exceed 0.3 percent Delta-9 post-decarboxylation, or a subsequent test conducted by an independent laboratory utilized by OCM that confirms Delta-9 in excess of 0.3 percent will be considered illegal.

[Minnesota Statutes, Chapter 342](#) governs Minnesota’s cannabis market, and empowers OCM to ensure regulatory compliance. [Minnesota Statutes, chapter 342.09, subdivision 4](#) prohibits the retail sale of cannabis flower and cannabis products “without a license issued under this chapter that authorizes the sale.”

To date, the Office of Cannabis Management has not issued any cannabis licenses, applications for licenses are expected to be available in the first half of 2025. As such, selling cannabis is a clear violation of law. Be aware that under [Minnesota Statutes, 342.09, subdivision 6](#), OCM may assess fines in excess of a \$1 million for violations of this law. Likewise, under [Minnesota Statutes, chapter 342.19](#), OCM is empowered to embargo any product that it has “probable cause to believe . . . is being distributed in violation of this chapter or rules adopted under this chapter[.]” Furthermore, violations of law may be considered in future licensing decisions made by OCM.

As inspectors enter the field, we encourage you to review the products you are currently selling to ensure they fall within the thresholds outlined above. If you have any questions related to the products you are selling, please send an email to cannabis.info@state.mn.us.

Thank you for your attention to this matter.

A handwritten signature in black ink, appearing to read "Charlene Briner", with a long horizontal flourish extending to the right.

Charlene Briner
Interim Director
Office of Cannabis Management

Appendix D: Notice to Unlawful Cannabis Sellers

Notice to Unlawful Cannabis Sellers

This notice is to inform you that your current course of action may run afoul of Minnesota law, and continuing this course of action may result in civil actions and potential criminal prosecution. To avoid such outcomes, you should immediately cease and desist any plans to engage in the unlicensed sale of cannabis and cannabis products.

[Minnesota Statutes, Chapter 342 \(www.revisor.mn.gov/statutes/cite/342\)](http://www.revisor.mn.gov/statutes/cite/342) governs Minnesota's cannabis market, and empowers OCM to ensure regulatory compliance. [Minnesota Statutes, chapter 342.09, subdivision 4 \(www.revisor.mn.gov/statutes/cite/342.09#stat.342.09.4\)](http://www.revisor.mn.gov/statutes/cite/342.09#stat.342.09.4) prohibits the retail sale of cannabis flower and cannabis products “without a license issued under this chapter that authorizes the sale.” To date the Office of Cannabis Management has not issued any retail, or other, cannabis licenses. As such, your plan to sell cannabis in a retail setting at this date would be in flagrant violation of the law. Be aware that under [Minnesota Statutes, 342.09, subdivision 6 \(www.revisor.mn.gov/statutes/cite/342.09#stat.342.09.6\)](http://www.revisor.mn.gov/statutes/cite/342.09#stat.342.09.6), OCM may assess fines in excess of a \$1,000,000 for violations of this law.

Likewise, under [Minnesota Statutes, chapter 342.19 \(www.revisor.mn.gov/statutes/cite/342.19\)](http://www.revisor.mn.gov/statutes/cite/342.19), OCM is empowered to embargo any product that it has “probable cause to believe . . . is being distributed in violation of this chapter or rules adopted under this chapter[.]” It is believed that products attempted to be sold at your retail location might be distributed in violation of the law, and would therefore be subject to embargo by OCM. Under [Minnesota Statutes, chapter 342.19, subd. 2 \(www.revisor.mn.gov/statutes/cite/342.19#stat.342.19.2\)](http://www.revisor.mn.gov/statutes/cite/342.19#stat.342.19.2), once embargoed OCM “shall release the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product when this chapter and rules adopted under this chapter have been complied with or the item is found not to be in violation of this chapter or rules adopted under this chapter.”

While Minnesota has legalized the sale of adult-use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products, the legislature did add new statutory provisions, [Minnesota Statutes, chapter 152.0264 \(www.revisor.mn.gov/statutes/cite/152.0264\)](http://www.revisor.mn.gov/statutes/cite/152.0264), making illegal the unlawful sale of cannabis. As there are not yet any licenses issued by OCM for the cultivation, manufacture, wholesale, transportation, or retail of cannabis, any sales of cannabis products in excess of the limits in 152.0264 is illegal.

If you are only planning to sell cannabinoid products that are derived from hemp, you should ensure that the sale of those products is consistent with [Minnesota Statutes, chapter 151.72 \(www.revisor.mn.gov/statutes/cite/151.72\)](http://www.revisor.mn.gov/statutes/cite/151.72), including but not limited to the requirement that your business be registered with the Commissioner of Health, and that all products are in compliance with the relevant statutes.

Finally, in addition to the state laws outlined above, please be aware that any retail location must be in compliance with local government ordinances and zoning requirements.

OCM takes seriously its charge to enforce Minnesota Statutes, Chapter 342, and its responsibility to ensure a safe and legal cannabis market. In order to avoid the above-described actions, all attempts to open a cannabis retail dispensary in Minnesota without the appropriate license should be ceased.