

City of Delano  
County of Wright  
State of Minnesota

Ordinance O-24-08

AN ORDINANCE AMENDING DELANO CITY CODE CHAPTER 4 RELATING TO CANNABIS BUSINESSES

THE CITY COUNCIL OF THE CITY OF DELANO HEREBY ORDAINS:

Chapter 4 of the City Code is amended to add the following new Section 427.01:

**Section 427.01 Cannabis Businesses**

**Subd. 1. Purpose and Authority.**

- A. The purpose of this section is to implement the provisions of Minnesota Statutes, Chapter 342, which authorizes the City to protect the public health, safety, and welfare by regulating cannabis businesses within the legal boundaries of the City of Delano. The Council finds and concludes that the proposed provisions are appropriate and lawful, will promote the public interest, and will protect the public health, safety, and welfare.
- B. The City has the authority to adopt this section pursuant to Minn. Stat. § 342.13 regarding the adoption of reasonable restrictions on the time, place, and manner of the operation of a cannabis business and Minn. Stat. § 342.22, regarding the local registration and enforcement requirements of state-licensed cannabis retail businesses and lower-potency hemp edible retail businesses.

**Subd. 2. Definitions.** As used in this section, the following words and terms have the meanings stated. The definitions contained in Minnesota Statutes Section 342.01 govern any other terms used in this Section but not defined in this subdivision.

- A. “Cannabis Retail Businesses” means the following businesses that make retail sales to customers or patients and hold or will hold the proper state license under Minnesota Statutes Chapter 342: cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, medical cannabis combination business, and lower-potency hemp edible retailer.
- B. “Office of Cannabis Management” or “OCM” means Minnesota Office of Cannabis Management.
- C. “Retail Registration” means an approved registration issued by the City to a state-licensed cannabis retail business.
- D. “School” means a public or private school for pupils in pre-kindergarten through grade 12.
- E. “State License” means an approved license issued to a cannabis retail business by the Office of Cannabis Management.

**Subd. 3. Registration of Cannabis Retail Businesses.**

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A. Registration Required. No individual or entity may operate a state-licensed cannabis retail business within the City without first registering with the City as provided in this section.

B. Initial Registration Process.

1. *Application Form.* An applicant for a retail registration must fill out an application form as provided by the City. All questions asked or information required by the form must be answered fully and completely by the applicant, including but not limited to:
  - a. Full name of the applicant and the owner of the property for which the retail registration is sought;
  - b. Address, email address, and telephone number of the applicant;
  - c. The address and parcel identification number for the property which the retail registration is sought; and
  - d. Certification that the property for which the retail registration is sought complies with the requirements of this Section and meets the zoning requirements contained in the City's Zoning and Land Use Code.

The applicant must also attach to the application form a copy of its valid state license or written notice from OCM of license preapproval.

2. *Registration Fee.* The registration fee includes the fee for initial retail registration and the first annual renewal of the registration and is set forth in the City's Fee Schedule, which may be amended from time to time by the Council in compliance with the limits established by law. An applicant for a retail registration must include this registration fee along with its application form. All fees are non-refundable.
3. *Zoning Verification.* No retail registration may be approved until the City has determined that the proposed cannabis retail business complies with the City's zoning regulations. Pursuant to Minn. Stat. Ch. 342, within 30 days of receiving a copy of a state license application from OCM, the City will 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.
4. *Processing of Application.* Once an application is deemed complete, the City Clerk will inform the applicant, process the registration fee, and forward the application

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to the City Council for approval or denial. Applications will be considered in the order in which they are received.

C. Approval of Application.

1. An application for a retail registration will not be approved if the registration would exceed the maximum number of retail registrations available in the City under subdivision 4.
2. An application for a retail registration will not be approved or renewed if the business is unable to meet the requirements of this Section.
3. An application for a retail registration or renewal that meets the following will be approved:
  - a. The applicant must have a valid license issued by OCM that allows retail sales;
  - b. The applicant must have paid the registration fee or renewal fee required by this section;
  - c. The location for the cannabis retail business must comply with applicable zoning ordinances; and
  - d. All property taxes and assessments for the location where the retail establishment will be located must be current.

D. Annual Compliance Checks. The City will conduct a minimum of one unannounced compliance check per calendar year for each registered cannabis retail business in the City to assess if the business meets age verification requirements as required under Minn. Stat. Ch. 342. Age verification compliance checks will 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 an employee of the City. The City will report any failures under this section to OCM.

E. Location Change. If a registered cannabis retail business seeks to move to a new location still within the legal boundaries of the City, the business must notify the City of the proposed location change and submit all information deemed necessary by the City to assess whether the new location meets the criteria of this section.

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F. Renewal of Registration. The City will annually renew a retail registration at the same time as OCM renews the cannabis retail business' state license.

1. *Renewal Application.* A registered cannabis retail business must apply to the City for renewal of its retail registration on a form established by City and compliant with OCM guidance. The renewal application form will require, at a minimum, the information and documents required under this Section for an initial registration.
2. *Renewal Fees.* The second and subsequent annual renewals will be subject to a renewal fee as set forth in the City's fee schedule, which may be amended from time to time by the Council in compliance with the limits established by law. The renewal fee must be submitted with the renewal application. All fees are nonrefundable.

G. Nontransferable. Retail registrations issued under this section may not be transferred to other state-licensed cannabis retail businesses.

Subd. 4. **Limitation on Retail Registrations.** The City will issue no more than two (2) retail registrations at any time to cannabis retailers, cannabis mezzobusinesses with a retail operations endorsement, or cannabis microbusinesses with a retail operations endorsement. There is no limit on the number of retail registrations that may be issued for medical cannabis combination businesses or lower-potency hemp edible retailers.

**Subd. 5. Requirements for Cannabis Retail Businesses**

- A. Minimum Buffer Requirements. No retail registration will be granted for any building within three hundred (300) feet of a school. This minimum buffer requirement does not apply to a building that houses a registered cannabis retail business whose registration predates the arrival of a school structure within 300 feet of the building. This minimum buffer requirement does not apply to state-licensed lower-potency hemp edible retailers. The measurement of distance in this section will be determined by a straight line from the closest point of the property line of the building upon which the cannabis retail business is located to the property line of the school.
- B. Hours of Operation. Registered cannabis retail businesses with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may only sell at retail cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products between the hours of 8:00 a.m. and 10:00 p.m.
- C. Compliance with Laws. Cannabis retail businesses must comply with all applicable regulations and restrictions provided by Minn. Stat. Ch. 342 and rules promulgated by OCM.

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Subd. 6. Suspension of Registration

- A. Suspension. The City may suspend a cannabis retail business's registration for up to 30 days upon a determination that (a) the business is not operating in compliance with state law or City ordinance or (b) that the operation of the business poses an immediate threat to the health or safety of the public.
- B. Notification; OCM Investigation. When the City determines that a suspension is warranted, the City Clerk must promptly send a written notice to the registered cannabis retail business and to OCM. The notice must inform the business and OCM of the pending suspension of the license, as provided in subsection C, the length of the suspension period, and the grounds for the suspension.
- C. Effective Date of Suspension. A suspension issued by the City under this subdivision will not become effective until OCM has determined whether to suspend the license of the registered cannabis retail business. The City's suspension period will run concurrently with any suspension of the state license by OCM. A suspension issued by the City under this subdivision will be effective on the date stated in the notice.
- D. Reinstatement. The City may reinstate a suspended registration if all violations have been cured and must reinstate the registration if OCM orders reinstatement.
- E. No Sales. A cannabis retail business may not make sales to customers while its registration is suspended.

Subd. 7. Temporary Cannabis Events

- A. Permit Required. No person may hold a temporary cannabis event in the City pursuant to Minn. Stat. § 342.39 without first obtaining a permit from the City.
- B. Permit Application Submittal and Review.
  - 1. Application Form. An applicant for a temporary cannabis event permit must fill out an application form provided by the City. All questions asked or information required by the form must be answered fully and completely by the applicant, including but not limited to:
    - a. Full name of the applicant and the owner of the property on which the event will be located;
    - b. Address, email address, and telephone number of the applicant;

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- c. Dates and location of event; and
  - d. Any request for a designated area for on-site consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or any combination of those items.
2. *Application Submittals.* The applicant must submit with the application form:
  - a. The temporary cannabis event permit fee as identified in the City's fee schedule. The permit fee will be non-refundable once submitted;
  - b. A copy of the applicant's temporary cannabis event license application submitted to OCM; and
  - c. If the applicant seeks on-site consumption at the temporary cannabis event, proof that the applicant notified Wright County of the request and obtained confirmation that such on-site consumption will comply with any applicable Wright County ordinances.
3. If the City Clerk determines that a submitted application is incomplete, the application will be returned to the applicant with the notice of deficiencies.
4. Once an application is deemed complete, the City Clerk will inform the applicant, process the permit fee, and forward the application to the City Council. A permit application that meets the requirements of this section will be approved.

C. Restrictions and Conditions.

1. On-site consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products may be permitted by the Council permitted on a case-by-case basis and then only in the area designated on the approved permit application.
2. Temporary cannabis events must comply with all applicable requirements imposed by Minn. Stat. Ch. 342 and rules promulgated by OCM.

Subd. 8. **Penalties**

A. Civil Penalties. The City may impose a civil penalty of up to \$2,000 for each instance where a cannabis retail business makes any sale to a customer or patient without a valid registration or permit from the City and a valid state license.

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B. Criminal Penalties. Any violation of the provisions of this Section or failure to comply with any of its requirements constitutes a misdemeanor and is punishable as defined by law. Violations of the Section can occur regardless of whether a registration or permit is required for a regulated activity listed in this Section.

THIS ORDINANCE AND CODE AMENDMENT SHALL BE IN FULL FORCE AND EFFECTIVE IMMEDIATELY FOLLOWING ITS PASSAGE AND PUBLICATION.

Approved by the Delano City Council on December 17, 2024.

Holly Schrupp

Holly Schrupp, Mayor

Paula Bauman

Attest: Paula Bauman, City Clerk