

ORDINANCE NO. 20241217

TOWN OF LAKEWOOD

ST. LOUIS COUNTY, MINNESOTA

The Town Board of the Town of Lakewood does ordain:

**AN ORDINANCE OF THE TOWN OF LAKEWOOD ADDING
ARTICLE XIII, REGULATION OF CANNABIS BUSINESSES**

Section 1. Purpose and Intent. The purpose of this Ordinance is to add Article XIII, Section 1, Regulation of Cannabis Businesses, to reflect updated statutory requirements of Minnesota Statutes Chapter 342, which authorizes the Town of Lakewood (“Town”) to protect the public health, safety, welfare of Town residents by regulating cannabis businesses within the legal boundaries of Town. Town finds and concludes that the proposed provisions are appropriate and lawful land use regulations for Town, 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.

Section 2. Amendment to be Inserted in Code. After the amendment made by this ordinance becomes effective, it shall be inserted in the appropriate place in the Town of Lakewood Code.

Section 3. Authority and Jurisdiction. Town has the authority to adopt this Ordinance pursuant to:

3.1. Minnesota Statutes § 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.

3.2. Minnesota Statutes § 342.22, regarding the local registration and enforcement requirements of state-licensed cannabis retail businesses and lower-potency hemp edible retail businesses.

3.3. Minnesota Statutes § 152.0263, Subd. 5, regarding the use of cannabis in public places.

3.4. Minnesota Statutes § 462.357, regarding the authority of a local authority to adopt zoning ordinances.

Section 4. Effective Date. The provisions of this Ordinance shall be effective after adoption and immediately upon publication once in the official newspaper of the Town of Lakewood.

Dated: 12-17-24

APPROVED:

Candy Campbell
Chairperson

ATTEST:

Angela Lorenz
Town Clerk

Adopted: 12-17-24

Published: _____

Effective Date: 1-1-25

EXHIBIT A

Article XIII - Cannabis Businesses

1.1 Purpose. The purpose of this Article XIII, Section 1 is to restrict access by minors and to regulate the sale of any legalized adult-use product that contains tetrahydrocannabinol and that meets the requirements to be sold for human or animal consumption.

1.2 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.

1.3 Enforcement. The Town Clerk, Zoning Administrator or St. Louis County Sheriff's Department 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.

1.4 Definitions. Unless otherwise noted in this section, words and phrases contained in Minnesota Statutes § 342.01 and the rules promulgated pursuant to any of these acts, shall have the same meanings in this ordinance.

1.4.1 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.

1.4.2 Cannabis Retail Businesses: A retail location and the retail location(s) of mezzo businesses 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.

1.4.3 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.

1.4.4 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.

- 1.4.5 **Lower-potency Hemp Edible:** As defined under Minnesota Statutes § 342.01 Subd. 50.
- 1.4.6 **Office of Cannabis Management:** Minnesota Office of Cannabis Management, referred to as “OCM” in this ordinance.
- 1.4.7 **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.
- 1.4.8 **Preliminary License Approval:** OCM pre-approval for a cannabis business license for applicants who qualify under Minnesota Statutes § 342.17.
- 1.4.9 **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.
- 1.4.10 **Residential Treatment Facility:** As defined under Minnesota Statutes § 245.462 Subd. 23.
- 1.4.11 **Retail Registration:** An approved registration issued by the Town to a state-licensed cannabis retail business.
- 1.4.12 **School:** A public school as defined under Minnesota Statutes § 120A.05 or a nonpublic school that must meet the reporting requirements under Minnesota Statutes § 120A.24.
- 1.4.13 **State License:** An approved license issued by the State of Minnesota’s Office of Cannabis Management to a cannabis retail business.

1.5 Registration of Cannabis Businesses.

- 1.5.1 **Consent to registering of Cannabis Businesses.** No individual or entity may operate a state-licensed cannabis retail business within the Town without first registering with the Town. 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 \$2,000.00) for each violation.
- 1.5.2 **Compliance Checks Prior to Retail Registration.** Prior to issuance of a cannabis retail business registration, the Town will conduct a preliminary

compliance check to ensure compliance with local ordinances. Pursuant to Minnesota Statutes § 342, within 30 days of receiving a copy of a state license application from OCM, the Town 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.

1.5.3 Registration & Application Procedure.

1.5.3.1 Fees. A registration fee, as established in the Town’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 \$500.00 or half the amount of an initial state license fee under Minnesota Statutes § 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 the Town shall be charged at the time of the second renewal and each subsequent renewal thereafter. A renewal retail registration fee shall not exceed \$1,000.00 or half the amount of a renewal state license fee under Minnesota Statutes § 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.

1.5.3.2 Application Submittal. The Town shall issue a retail registration to a state-licensed cannabis retail business that adheres to the requirements of Minnesota Statutes § 342.22. An applicant for retail registration shall fill out an application form, as provided by the Town. Said form shall include, but is not limited to:

1.5.3.3 Full name of the property owner and applicant.

1.5.3.4 Address, email address, and telephone number of the applicant.

1.5.3.5 The address and parcel identification number for the property which the retail registration is sought.

1.5.3.6 Certification that the applicant complies with the requirements of local ordinances established pursuant to Minnesota Statutes § 342.13.

1.5.3.7 A sufficiently detailed map and description of the proposed business operation.

1.5.3.8 The applicant shall include with the form:

1.5.3.8.1 the application fee as required in Section 1.5.3.1.

1.5.3.8.2 a copy of a valid state license or written notice of OCM license preapproval.

1.5.3.9 Once an application is considered complete, the Town Clerk shall inform the applicant as such, process the application fees, and forward the application to the Zoning Administrator for approval or denial.

1.5.3.10 The application fee shall be non-refundable once processed.

1.5.4 Application Approval.

1.5.4.1 A state-licensed cannabis retail business application shall not be approved if the cannabis retail business would exceed the maximum number of registered cannabis retail businesses permitted under Section 1.8.

1.5.4.2 A state-licensed cannabis retail business application shall not be approved or renewed if the applicant is unable to meet the requirements of this ordinance.

1.5.4.3 A state-licensed cannabis retail business application that meets the requirements of this ordinance shall be approved.

1.5.5 Annual Compliance Checks.

1.5.5.1 The Town may complete a cannabis compliance check to assess if the cannabis business meets age verification requirements, as required under Minnesota Statutes § 342.22 Subd. 4(b) and Minnesota Statutes § 342.24.

1.5.5.2 Age verification compliance checks shall involve persons at least seventeen (17) years of age but under the age of twenty-one (21) who, with the prior written consent of a parent or guardian if the person is under the age of eighteen (18), attempt to purchase adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products under the direct supervision of a law enforcement officer or an employee of the local unit of government.

1.5.5.3 Any failures in the annual compliance checks will be reported to the Office of Cannabis Management.

1.5.6 Location Change. A state-licensed cannabis retail business shall be required to submit a new application for registration under Section 1.5.3.2 if it seeks to move to a new location still within the legal boundaries of Town.

1.6 Renewal of Registration. The Town shall renew an annual registration of a state-licensed cannabis retail business at the same time OCM renews the cannabis retail business' license. A cannabis retail registration issued under this Ordinance shall not be transferred.

1.6.1 Renewal Fees. The Town may charge a renewal fee for the registration starting at the second renewal, as established in the Town's Fee Schedule, as it may be amended from time to time.

1.6.2 Renewal Application. The application for renewal of a retail registration shall include, but is not limited to, the items required under Section 1.5.3.2 of this Ordinance.

1.7 Suspension of Registration.

1.7.1 When Suspension is Warranted. The Town may suspend a cannabis retail business's registration if it violates the ordinance of the Town or poses an immediate threat to the health or safety of the public. The Town will immediately notify the cannabis retail business in writing the grounds for the suspension.

1.7.2 Notification to OCM. The Town will notify the OCM in writing the grounds for the suspension. OCM will provide the Town and cannabis business retailer a response to the complaint within seven calendar days and perform any necessary inspections within thirty (30) calendar days.

1.7.3 Length of Suspension. The suspension of a cannabis retail business registration may be for up to thirty (30) calendar days, unless OCM suspends the license for a longer period. The business may not make sales to customers if their registration is suspended. The Town may reinstate a registration if it determines that the violations have been resolved. The Town may reinstate a registration if OCM determines that the violation(s) have been resolved.

1.7.4 Civil Penalties. Subject to Minnesota Statutes § 342.22, Subd. 5(e) the Town may impose a civil penalty, as specified in the Town's Fee Schedule, for registration violations, not to exceed \$2,000.00.

1.8 Limiting of Registrations. If the Town of Lakewood, Minnesota has one active cannabis retail businesses registration for every 12,500 residents, the Town shall not be required to register additional state-licensed cannabis retail businesses.

1.8.1 Requirements for Cannabis Businesses.

1.8.1.1 Minimum Buffer Requirements.

1.8.1.1.1 The Town shall prohibit the operation of a cannabis business within 1,000 feet of a school.

1.8.1.1.2 The Town shall prohibit the operation of a cannabis business within 500 feet of a day care.

1.8.1.1.3 The Town shall prohibit the operation of a cannabis business within 500 feet of a residential treatment facility.

1.8.1.1.4 The Town shall prohibit the operation of a cannabis business within 500 feet of an attraction within a public park that is regularly used by minors, including a playground or athletic field.

1.8.1.1.5 The Town shall prohibit the operation of a cannabis retail business within 500 feet of another cannabis retail business.

1.9 Cannabis and Hemp Land and Zoning Use Regulations.

1.9.1 Cannabis businesses licensed or endorsed for cultivation, manufacturing, wholesale, transportation or delivery are allowable in Zone Districts LSO-10, COM-11 and LIU-10 and conforming to all applicable provisions of the Zoning Ordinance shall be allowed with a conditional use permit.

1.9.2 Cannabis businesses and hemp manufacturing businesses licensed or endorsed for retail are allowable in Zone Districts LSO-10, COM-11 and LIU-10 and conforming to all applicable provisions of the Zoning Ordinance shall be allowed with a conditional use permit.

1.9.3 Hemp manufacturing businesses licensed or endorsed for cultivation, manufacturing, wholesale, transportation or delivery are allowable in Zone Districts LSO-10, COM-11 and LIU-10 and conforming to all applicable

provisions of the Zoning Ordinance shall be allowed with a conditional use permit.

1.10 Hours of Operation. Cannabis businesses are limited to retail sale of cannabis, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products between the hours of 10:00 a.m. to 9:00 p.m.

1.11 Temporary Cannabis Events.

1.11.1 License or Permit Required for Temporary Cannabis Events.

1.11.1.1 Registration & Application Procedure. A registration fee, as established in Town's Fee Schedule, shall be charged to applicants for Temporary Cannabis Events.

1.11.1.2 Application Submittal & Review. The Town shall require an application for Temporary Cannabis Events. An applicant for retail registration shall fill out an application form, as provided by the Town. Said form shall include, but is not limited to:

1.11.1.2.1 Full name of the property owner and applicant.

1.11.1.2.2 Address, email address, and telephone number of the applicant.

1.11.1.2.3 A sufficiently detailed map and description of the proposed event.

1.11.1.2.4 The applicant shall include with the form:

1.11.1.2.5 The application fee as required in Section 1.11.1.1.

1.11.1.2.6 a copy of the OCM cannabis event license application, submitted pursuant to Minnesota Statutes § 342.39 Subd. 2.

1.11.1.2.7 The application shall be submitted to the Town Clerk, 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.

1.11.2 Once an application is considered complete, the designee shall inform the applicant as such, process the application fees, and forward the application to

the Zoning Administrator, or other designee, for approval or denial by the Town Board.

1.11.3 The application fee shall be non-refundable once processed.

1.11.4 The application for a license for a Temporary Cannabis Event shall meet the following standards:

1.11.4.1 Approved security plan by the St. Louis County Sheriff or designee of the St. Louis County Sheriff's Department.

1.11.4.2 Temporary cannabis events shall only be held between the hours of 2:00 p.m. and 12:00 a.m.

1.12 Lower-Potency Hemp Edibles and Beverages.

1.12.1 Sale of Low-Potency Hemp Edibles and Beverages. The sale of low-potency hemp and beverages is permitted, subject to the conditions within this Section.

1.12.1.1 Standards and Conditions.

1.12.1.1.1 Age requirements.

1.12.1.1.2 The sale of low-potency hemp and beverages is permitted only in places that admit persons twenty-one (21) years of age or older, such as a licensed liquor store or licensed smoke shop.

1.12.2 Age Verification. The sale of low-potency hemp and beverages shall only be made to persons at least twenty-one (21) years of age, as verified by a government issued photographic identification.

1.12.3 Mobile Sales. The sale of low-potency hemp and beverages is permitted only in places with a fixed business location in an authorized zoning area.

1.12.4 Buffer Requirements. The sale of low-potency hemp and beverages is permitted only in places that meet the minimum buffer requirements of Minnesota Statutes § 405.8.1.1.

1.12.5 Samples Prohibited. No person shall distribute samples of low-potency hemp or beverages free of charge or at a nominal cost.

1.12.6 Sales to Obviously Intoxicated Persons. No person shall sell, give or furnish low-potency hemp or beverages to an obviously impaired or intoxicated person.

1.12.7 Illegal Possession. It is unlawful for any person under the age of twenty-one (21) to possess low-potency hemp or beverages.

1.12.8 Storage of Product. Low-potency hemp and beverages shall be sold behind a counter and stored in a locked case.

1.12.9 Employees Under Eighteen (18). It is unlawful for any person under the age of eighteen (18) to sell low-potency hemp or beverages.

1.13 Use in Public Places. No person shall use cannabis flower, cannabis products, lower-potency hemp edibles, low-potency beverages, 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.

