

PLANNING COMMISSION AGENDA

Thursday, September 5, 2024

CITY OF DAYTON, MINNESOTA

12260 So. Diamond Lake Road, Dayton, MN 55327

REGULAR MEETING OF THE PLANNING COMMISSION – 6:30 P.M.

To Participate in the Meeting, please see cityofdaytonmn.com Calendar for Zoom Invitation.

6:30 **1. CALL TO ORDER**

6:30 **2. PLEDGE OF ALLEGIANCE**

(Roll Call)

6:30 **3. ROLE OF THE PLANNING COMMISSION**

The Planning Commission consists of five residents appointed by the City Council. The Commission administers the Comprehensive Plan, Zoning and Subdivision regulations. The Commission conducts Public Hearings and provides recommendations to the City Council. It is the City Council who may approve or deny land use applications.

6:35 **4. APPROVAL OF AGENDA**

6:35 **5. CONSENT AGENDA**

These routine or previously discussed items are enacted with one motion. Note: Commissioners absent from previous meetings may still vote to approve minutes.

A. Planning Commission Minutes, August 1, 2024

6:35 **6. OPEN FORUM**

Public comments are limited to 3 minutes for non-agenda items; state your name and address; No Commission action will be taken, and items will be referred to staff. Group commenters are asked to have one main speaker.

6:40 **7. COUNCIL UPDATE**

A. August 12, 2024

B. August 27, 2024

6:45 **8. PUBLIC HEARINGS**

6:45 A. Zoning Map Amendment, 11321 Elm Creek Road (Drake)

7:00 B. Concept Plan, 11500 Dayton Parkway (CRG – The Cubes)

7:20 **9. NEW BUSINESS**

7:40 A. Concept Plan (revised), DCM Farms (Dehn)

8:00 B. Discussion of Ordinance Amendment, Cannabis Businesses

The City of Dayton's mission is to promote a thriving community and to provide residents with a safe and pleasant place to live while preserving our rural character, creating connections to our natural resources, and providing customer service that is efficient, fiscally responsible, and responsive.

8:20 **10. NOTICES AND ANNOUNCEMENTS**

A. Staff Updates

8:40 **11. ADJOURNMENT** (Motion to Adjourn)

I. CALL TO ORDER

DeMuth called the August 1, 2024, Planning Commission Meeting to order at 6:30 p.m.

Present: DeMuth, Crosland, Preisler, and Van Asten

Absent: Browen

Also in Attendance: Mayor, Dennis Fisher; Jason Quisberg, City Engineer; Jon Sevald, Community Development Director

II. PLEDGE OF ALLEGIANCE

III. APPROVAL OF AGENDA

MOTION by Crosland, second by Preisler, to approve the agenda as presented. The motion carried unanimously.

IV. ESTABLISHING MEETINGS, OFFICERS, PROCEDURES (CITY CODE 32.16(C))

Sevald stated that the goal is to preemptively prevent scheduling conflicts before they happen. Sevald suggested rescheduling the July 2025 meeting now.

There was consensus to move the July meeting from July 3, 2025, to July 10, 2025.

DeMuth stated if it is possible to forgo a July meeting, DeMuth would rather skip it altogether. Sevald stated that it is impossible to predict that until June of 2025.

MOTION by Van Asten, second by Crosland, to move the July 3, 2025, meeting to July 10, 2025. The motion carried unanimously.

Sevald stated that there should be a Chair and Vice Chair to serve for a full year. Sevald asked if the Planning Commission prefers a voice vote or a secret ballot.

DeMuth is the current Chair of the Planning Commission and Browen is the current Vice Chair of the Planning Commission. Preisler asked how long each had served in those capacities. DeMuth has been Chair for three years. Browen has been Vice Chair for one year.

MOTION by Crosland, second by Preisler, to nominate DeMuth as Chair of the Planning Commission. The motion carried unanimously.

MOTION by DeMuth, second by Van Asten, to nominate Browen as Vice Chair of the Planning Commission. The motion carried unanimously.

Sevald stated that the Planning Commission meetings should follow *Robert's Rules*, but the Commissioners have not been provided with the book of Robert's Rules.

V. CONSENT AGENDA

A. Planning Commission Minutes for June 6, 2024

MOTION by Crosland, second by Van Asten, to approve the consent agenda as presented. The motion carried unanimously.

VI. OPEN FORUM

No one present for open forum.

VII. COUNCIL UPDATE

A. June 11, 2024, City Council Meeting

Fisher updated the Commission on Council actions. Fisher stated that initial budget discussions cannot be summarized but Commissioners can go online and view the Work Session. There were infrastructure discussions. Fisher stated that over the years, the EDA founding documents were mishandled. There was discussion regarding clean-up process. City Council approved a Police retention incentive.

B. June 25, 2024, City Council Meeting

Fisher updated the Commission on Council actions. Fisher stated that the City Council appointed the Planning Commissioner and one of the Park Commissioners. The second addition for Braeburn Trails and the final plat on the Sundance Greens Eleventh Addition was approved by the City Council. An IEP for chickens/ducks was approved by City Council. The Bluestone Properties concept plan did not go over well as there were simply too many problems with it. Fisher stated there was a lot of discussion on the Shaney concept plan without ending up with any real direction at the City Council meeting. Fisher stated that the City Council was pretty much in agreement with the Planning Commission with regard to DCM Farms. Fisher stated that no one wanted apartments from DCM Farms, but with the Met Council pushing Dayton to four units per acre, apartments may help the City. Fisher stated that the Pulte Development concept plan pretty much followed along with the Planning Commission's recommendations. Fisher stated that the driveway aprons were passed by the City Council.

C. July 9, 2024, City Council Meeting

Fisher updated the Commission on Council actions. City Council had a Work Session about the long-term plan for the City. Three Rivers Park District provided an update to the City Council. There are some extra pavement dollars left to be spent, and there was discussion about paving the parking lot the Central Park. Fisher stated that Magnus wants to have an event, and they have requested the City fees be waived. The City Council approved that request.

D. July 23, 2024, City Council Meeting

Fisher updated the Commission on Council actions. Fisher stated that City Council had another long discussion on the budget. There was also a lengthy discussion on the Large Assembly Permit. City Council appointed a new person to the Parks Commission.

VIII. PUBLIC HEARINGS

A. Interim Use Permit, Home Extended Business 13551 Norwood Lane (Yancy)

Sevald stated that the applicants are Nathan and Meghan Yancy. Mr. and Mrs. Yancy wish to build an accessory building for the purpose of a Home School Co-Operative group and additional garage space. There will be approximately 20 students ranging in age from 7-year-olds to 14-year-olds three days per week in attendance.

Sevald stated that the property is approximately two acres in size. The accessory building would be built on the northern side of the property. Sevald stated that, based on current zoning, the accessory building could not exceed 2,000 square feet.

Sevald stated that the critical issues are: 1) Only one driveway is permitted; and 2) Compliance with Building/Fire Codes. Sevald reminded the Planning Commission that there would be a five-year expiration on the Interim Use Permit (IUP).

Preisler asked for clarification from Staff regarding the fact that the applicants' home already has a two-car garage, yet the applicants are including an additional enclosed two-car garage in the proposed accessory building for the purpose of meeting the City Code. Sevald stated that the attached two-car garage at the residence was converted into living space. Currently, the applicants' residence does not have a functioning garage.

Van Asten stated that not having a functioning garage is not up to Code. Sevald stated that every home is required to have at least a two-car garage.

Van Asten asked how the conversion of the two-car garage into living space got approved. Sevald stated that the conversion was not approved.

Nathan and Meghan Yancy (the applicants) of 13551 Norwood Lane came forward. Mr. Yancy stated that he and his wife have been residents of Dayton since 2011. The Yancy's homeschool their six children and formed a Homeschool Co-Op with some other families from their church community. The group meets 12 hours per week, 85 days per year. There are two licensed teachers who participate in the Co-Op with their children. The City contacted the Yancys and stated that an IUP is necessary because money is exchanged. The parents pay the licensed teachers for their time. Mr. Yancy stated that the building is being erected to meet the City's requirement for a two-car enclosed garage. Mr. Yancy stated that in 2020 the Permit to convert the residence's attached two-car garage was approved. Mr. Yancy stated that there was no mention, at that time, of the City's requirement for a two-car enclosed garage. Mr. Yancy stated that the City made contact in 2023 and informed the Yancy family of the City's requirement for a two-car enclosed garage. The group gathering space is a secondary use for the City's requirement for a two-car enclosed garage.

Van Asten asked if the applicants currently reside at the residence. The answer is no. The applicants are in the process of moving to the residence.

Van Asten asked Sevald if there is any information about what happened with the lack of communication regarding the City requirements. Sevald stated there have been many staffing changes. Fisher stated that it is a long story, but the City met with Mr. and Mrs. Yancy. The City is working through a lot of issues, and this IUP will clean that issue up.

Crosland asked what the proposal is for the driveway issue. Mr. Yancy stated the plan is to connect the new driveway to the existing driveway.

Crosland asked for clarification on the cadence on the 85 days in order to understand the traffic pattern when kids are coming and going. Mr. Yancy stated that the students meet Mondays, Tuesdays, and Thursdays from 9:00 a.m. until 1:00 p.m. The school year begins on September 9th, and there are quite a few breaks.

Van Asten asked if a bathroom can hook up to the current sewer system. Mr. Yancy stated that the details have yet to be discussed. A meeting with the contractor is scheduled for early next week. Mr. Yancy is prepared to make updates to the sewer system, if needed.

DeMuth asked if the applicants can connect the accessory building to the sewer system and leave the residence connected to the septic system. Sevald did not know the answer to that question.

Van Asten asked how much space is actually reserved for the school since the first and foremost function of the accessory building is the garage. Sevald stated that 2,000 square feet can hold eight cars, so there will be plenty of space for the school. Mr. Yancy stated that the exact dimensions have yet to be determined.

Crosland asked if the applicants are intending to build a standard metal pole building. The answer is yes. Additional discussion ensued regarding the building materials.

DeMuth opened the Public Hearing at 7:00 p.m.

Robert and Paula Irvan of 12465 137th Avenue North came forward and asked if there is a zoning requirement that states there should be an attached two-car garage to the home. Sevald stated that the garage can be attached or detached.

Mr. and Mrs. Irvan have lived directly north of the proposed Home School Co-Op for 35 years and are strongly opposed to the Home School Co-Op being permitted. Mr. and Mrs. Irvan are concerned about additional traffic, street parking, vehicles being parked on the grass, additional noise, and the potential for an increase in students. Mrs. Irvan stated that there is a gully at the potential building site and asked if a fence will be required for safety purposes. Mrs. Irvan asked if the septic system will need to be increased due to the additional users. Mrs. Irvan asked how the requirement of the family residing at the residence will be enforced. Mrs. Irvan asked if the family will be allowed only one business.

Jaimie and Mark Wysnuski 13600 Norwood Lane came forward and complained that in the past there have been cars parked on the street at the residence in question. A camper has been parked on the property, and the hope is that the camper will be parked in the garage. Mrs. Wysnuski noted the location for the building is near the wetland, and the area is prone to flooding in the spring. Mrs. Wysnuski asked how many bathrooms will be in the building, how many sinks will the building have, and will the building have a kitchen. The concern is that the accessory building becomes another living space. Mrs. Wysnuski wants to know if the neighboring wells and septic systems will be affected by the addition of the accessory building.

Mrs. Wyszuski asked if a septic is added, would it be a traditional septic or a mound septic. Sevald stated that he could not answer that question. Quisberg stated that it would be a mound.

Mrs. Wyszuski would like to know what type of driveway will be installed, concrete, blacktop, rock, or grass. Also, will there be a turn-a-round for parents picking up children and where will the teachers park. She is also concerned about lighting.

Mrs. Wyszuski made mention of the zoning rule that references 12 children for a large daycare. She asked why not stick with 12 children rather than 20. Sevald explained that home daycares are not required to have permits for up to 12 children.

Mrs. Wyszuski asked if all the schooling will be handled inside, or will the children be outside too. Mrs. Wyszuski now works from home with the windows open so noise is a concern. Mrs. Wyszuski asked what recourse the neighbors have if the rules are not followed. She is concerned about a decrease in property value.

Jeff and Gail Johnson of 12590 135th Avenue North came forward. Mr. Johnson stated that there have been problems with the grass growing too long. The applicants had a lady renting the non-permitted garage and there is current litigation ongoing.

Mrs. Johnson stated that there will be gas-powered vehicles and children occupying the same space, which is unsafe. Mr. and Mrs. Johnson are completely against the Home School Co-Op business.

Paul Benticourt and Holly Hamilton of 1356 Norwood Lane came forward and expressed concern for the blatant disregard the applicants have demonstrated for the rules thus far. There is also concern for the potential depreciation of the property value.

Mr. Benticourt stated that the Yancy family currently lives in a custom-built home on a 7-acre lot that was built in 2022, and it seems rather unusual that a family of eight would like to relocate to a 950-square-foot home.

Nate [REDACTED] (online) sent a statement that Sevald read as follows: "We would like to urge the Commissioners to not approve this permit on Norwood. These community members repeatedly violate rules, and we have no faith that they will change their ways, and this will be ongoing headaches for us and our City."

DeMuth closed the Public Hearing at 7:22 p.m.

Crosland stated that there were a lot of complaints from the neighbors and perhaps the applicants would like to respond.

DeMuth invited the applicants to come forward. Mr. Yancy came forward.

Mr. Yancy stated that it is disappointing to hear the comments from the neighbors, but everyone is misinformed. Yancy enumerated the fact that since moving to Dayton he has always followed the guidelines when it comes to applying for permits. Mr. Yancy stated the custom home was built on the seven-acre lot, and the Yancy family is surrounded by some very nasty neighbors, so the Yancy family decided to do something very unconventional and move back to Norwood Lane.

Mr. Yancy stated there were no problems on the Norwood Lane property when the Yancy family resided there. The camper belonged to a tenant and is no longer there. With regard to the lawsuit, the judge dismissed it, because there was no cause of action.

Crosland asked how many families comprise the 20 students. Mr. Yancy believes there are six families but was not quite sure.

Crosland asked Mr. Yancy to describe the plan for parking. Mr. Yancy stated that the intent is to use blacktop pavement and extend the existing driveway to the accessory building.

DeMuth asked Mr. Yancy when the accessory building would be used, if approved. Mr. Yancy stated that the plan is to use it as soon as it is completed.

Van Asten asked from a logistics point of view, how does the City make sure that the Yancy family is living in the residence, and what are the consequences if they are not living there. Sevald read the six conditions. If any of the conditions are not met, the IUP can be revoked.

Van Asten stated that she's fine with the concept, but a fully fleshed out plan would be nice.

Additional conversation ensued regarding the freedom for residents to entertain and gather on the property that the residents own.

Preisler asked Mr. Yancy if any licenses are required from the State of Minnesota for a Home School Co-Op. The answer is no.

Van Asten stated the reason the building and the Home School Co-Op are tied together in Van Asten's mind, is because a two-car garage for the sole purpose of housing vehicles and storage is a very different space from a two-car garage that also includes a classroom setting for 20 students.

DeMuth stated that he's not in favor of approving the IUP because the plan is not fully fleshed out.

Preisler suggested that a site plan would be helpful.

Mr. Yancy stated that the City has Building Codes for a reason and stated whatever is built will meet or exceed the City Building Codes. It goes without saying that the building will comply. The question Mr. Yancy wants the Planning Commission to answer is, "Is the City going to allow us to gather with our friends as a Home School Co-Op to educate our children on our property?" Mr. Yancy stated that there are some hideous-looking buildings in the area. The building that the Yancy family intends to build will enhance the property value.

DeMuth stated his greatest concern is whether or not the building will support everything that the Yancy family desires.

Van Asten asked Sevald to clarify Sevald's earlier statement that if the Yancy family operated the Home School Co-Op out of the residence, there would be no need to apply for an IUP. Van Asten asked if the problem is the fact that the building is detached. The answer is yes.

DeMuth reiterated that there are not enough details on the building for him to be in favor of the project.

Preisler stated that the focus is on the Interim "USE" Permit, and not the actual building.

Crosland agreed with Preisler.

DeMuth stated that the Planning Commission has been informed that the property was used as a rental property over the past couple of years. DeMuth asked if a rental license was obtained by the applicant. The answer is no. Mr. Yancy had applied for a rental license, and it was denied by the City Staff due to the garage situation. The denial was the first time that the Yancy family became aware of the required two-car garage, and the awareness spurred this process that brought the Yancy family to the Planning Commission.

Mr. Yancy stated that the property in question is the second property in Dayton where he has converted a garage into living space.

Van Asten asked for clarification as to why the Yancy property was rented after being denied a rental license. Mr. Yancy explained that they originally had family living in the house, which does not require a rental license. Mr. Yancy owned the mistake of allowing a friend from church to move into it prior to obtaining the rental license. Mr. Yancy admitted that there was an unnecessary delay in applying for rental license. When the rental license was denied, Mr. Yancy began working towards correcting the two-car garage requirement.

DeMuth asked if Mr. Yancy would consider capping the number of students in the Home School Co-Op to 15 students, not including the Yancy children or the children of the teachers. DeMuth rationalized this question by stating that in-home daycares follow a similar set of rules.

Van Asten stated that an in-home daycare doesn't have to come and get approved.

Mr. Yancy stated that the sole purpose of this Home School Co-Op is because it suits the needs of the Yancy family. Mr. Yancy does not view the Home School Co-Op as a business.

Preisler and Crosland are in favor of passing the IUP. Van Asten is undecided.

DeMuth stated that he does not disagree with what the Yancy family wants to do. However, DeMuth stated that he is going to vote against the IUP for three reasons: 1) The application is for a Home Extended Business without a fleshed-out site plan; 2) The Applicants are not currently homesteaded at the property; and, 3) DeMuth wants to limit the number of students that are not related to the applicants.

Fisher asked the applicant if the IUP doesn't pass, would the applicant put up the same size accessory building. Fisher then stated that there is no need for the applicant to answer the question.

Fisher raised concern for the fact that if the Planning Commission does not recommend the IUP to the City Council, the applicant will not have enough time to build the accessory building within the previously agreed-upon timeframe.

Crosland reiterated that the role of the Planning Commission is to determine if an IUP is for an Extended Home Business, not the details of the building. Crosland further stated that oftentimes, the Planning Commission receives more information, because some applicants are further along in the process when they come to the Planning Commission.

Van Asten asked the applicant what his long-term plan for the space would be after the Mr. Yancy children graduate from school. Mr. Yancy stated that as a family of eight, the space would be used for storage and hang-out space.

DeMuth brought the conversation back to his desire to see a concept plan for the purpose of screening. DeMuth stated that the parking could be a nuisance for the surrounding neighbors and a concept plan would show the potential parking.

Preisler asked if the City requires screening on accessory buildings in general. The answer is no.

DeMuth re-opened the Public Hearing at 8:30 p.m.

Paul Benticourt of 1356 Norwood Lane came forward again and stated that indeed the school is behind the Mr. Benticourt's property, but there are tall pine trees used for screening. Mr. Benticourt does not believe that the process should speed up simply because a two-car garage needs to be built on the Yancy property.

Jess Gifford of 13521 Norwood Lane stated that she came forward to back Nathan and Meghan as humans. She stated that it is heartbreaking to see how people are treating the Yancy family, noting that the Yancy children are very respectful.

Paula Irvan of 12465 137th Avenue North came forward again and stated that all of the neighbors were aware the school was present, and recess happens. The extra noise and traffic from the Extended Home Business will be new.

Jaimie Wynuski of 13600 Norwood Lane came forward again and stated that the City has been working on the garage and the vehicles from the past renters. She stated that the information she has is directly from the City. Ms. Wynuski stated that the Yancy family are great neighbors, but no one wants a business across the street in a neighborhood.

Sevald stated that there are online comments, and Sevald requested assistance with collecting the comments. It was noted that the online comments were all anonymous. DeMuth stated there was no new information contained within the anonymous online comments.

DeMuth closed the Public Hearing at 8:41 p.m.

DeMuth stated that his opinion has not changed. He believes the neighbors are afraid, the screening is not defined, and the driveway is not defined. DeMuth stated that the neighbors have raised concerns about past behaviors of the renter. DeMuth stated that a terrible renter once lived across the street from him, and there were parking issues with parties until all hours of the night. He would like to see a parking plan.

Crosland stated that the parking plan could be provided to the City Council.

DeMuth continued to discuss the screening and the parking.

MOTION by Preisler, second by Crosland, to recommend approval of IUP, Home Extended Business, 13551 Norwood Lane, according to the findings of fact presented in the packet. The motion carried 3 ayes, 1 Nay (DeMuth).

B. Interim Use Permit, Event Center, 16861 North Diamond Lake Road (Magnus)

Van Asten asked that if she has questions as a “neighbor,” does she have to leave the dais to make comments. DeMuth stated that Van Asten can make comments from the perspective as a “neighbor” from the dais.

Sevald stated that the applicant for the Interim Use Permit (IUP), event center is Magnus Veterans Foundation.

Sevald stated that in 2021, Magnus Veterans Foundation received an IUP for a Veterans Outpatient Facility that included a clinic, counseling, and a gym. The IUP that is currently being requested is separate and a part from the prior IUP granted.

Sevald stated that the property is comprised of 34 acres and access would be gained to the proposed Event Center by the western driveway. Parking is proposed for 500-600 vehicles in the northern pasture area. The actual event space would be located between the house on site and the pond.

Bod Dyscoviach, representing Magnus Veterans Foundation, came forward to answer questions. Mr. Dyscoviach gave a brief explanation of the functions attributed to Magnus Veterans Foundation.

Van Asten raised concern regarding the request of Magnus Veterans Foundation to go beyond the 8:00 p.m. cutoff for outside sound amplification. Van Asten described how the snowball effect could ultimately cause problems and made it very clear that the services provided by Magnus Veterans Foundation are much needed and much appreciated.

Preisler offered thanks for everything that Magnus Veterans Foundation does for veterans locally and regionally. Preisler suggested limiting the number of times per year of after-hours amplification along with notification to the neighbors.

DeMuth asked if there is an administrative form that could be completed allowing Staff to approve a waiver of the after-hours amplification to prevent event centers from having to come before the Planning Commission to make their requests.

Additional discussion ensued.

DeMuth suggested that the IUP, event center be approved and allow the after-hours amplification.

DeMuth opened the Public Hearing at 9:12 p.m.

No one was present for the public hearing.

DeMuth closed the Public Hearing at 9:13 p.m.

Preisler doesn't believe that it is advisable to approve the after-hours amplification. Preisler believes that the City in general needs to wrestle with the approval of after-hours amplification, not the Planning Commission. Preisler thinks that providing feedback to Staff is sufficient.

Sevald stated that one of the requests from the applicant is for grass-parking. The Event Center Ordinance requires improved parking, such as gravel.

Fisher noted that when the City has events, the City uses grass parking.

Preisler struggles with the improved parking requirement because events do not happen daily because by using improved parking, greenspace is being removed.

Van Asten stated that the problem will ultimately take care of itself. If the events happen frequently, the grass will die and people will not want to come and park in the mud. As long as the gravel approach remains in place, Van Asten is okay with grass parking.

MOTION by Van Asten, second by Crosland, to recommend approval of IUP, Event Center, 16861 North Diamond Lake Road with the conditions stated in the packet. The motion carried unanimously.

C. Concept Plan, 11085 French Lake Road (Holland)

Sevald stated that the applicant is Nathan Fair. The concept plan consists of 15 lots with two lots in Dayton, and 13 lots in Champlin.

Sevald stated that the project came in fairly last minute and the zoning has yet to be determined. If the zoning is R-1, the lots in their current state, are too small. If the zoning is R-3, the lots in their current state, require amenities. If the zoning is PUD, then the project is required to give benefit to the public. Sevald pointed out that the concept plan is currently showing all the homes (approximately 200 homes) have only one access to French Lake Road.

Sevald stated that there is no formal approval needed for a concept plan. Staff is looking for the Planning Commission's input only.

Preisler asked what the status of the concept plan is with the City of Champlin. Sevald stated that he is going to lean on the applicant but doesn't believe that the concept plan has gone anywhere with Champlin. Sevald was unable to communicate with the applicant through the Zoom link.

DeMuth opened the Public Hearing at 9:30 p.m.

Tracy Adette of 10809 Brookside Trail in Champlin, and Lindsay Aiden of 10934 Brookside Trail in Champlin came forward and thanked the Planning Commission for the opportunity to speak.

Ms. Adette stated that the major concern is access to County Road 121. She purchased property in 2015, and Champlin made note that eventually an additional access point to County Road 121 would be needed. There are currently 111 homes in the neighborhood. Ms. Adette stated that there is no

solution to the current safety concerns, and now there is the possibility of adding additional homes, which is very problematic.

Ms. Adette asked if the current homeowners association will ultimately assume the new homes. She stated that the infrastructure must be in place prior to adding additional homes to an already dangerous situation.

Sevald asked if the roundabout is scheduled for the current construction season. Quisberg is not following the schedule, but stated there has been authorization to move forward with the design and it will likely be constructed next year.

Ms. Aidan stated the stop signs were meant to be a pilot with the potential for a roundabout. The roundabout was originally supposed to come in 2024 but now is supposed to come in 2025.

Ms. Aidan stated that there are concerns with the thought of the additional traffic generated by the fact that there are two different cities involved with the neighborhood. There will be additional emergency services, different school systems, different garbage collection, snow plows etc.

DeMuth asked for clarification from Ms. Aidan and Ms. Adette with regard to the actual concerns about the 15 lots being proposed, or are they concerned about the ghost platting that is being proposed. The biggest concern is the ghost platting.

Preisler also has concerns regarding the ghost platting.

Sevald stated that the comments made by Ms. Aidan and Ms. Adette are the comments that the Planning Commission hears every month.

Blake Greenberg of 11411 129th Avenue North came forward and stated Dayton has had plans for quite some time to develop the ghost platted property, noting the sewer and water hook-ups are already present.

DeMuth closed the Public Hearing at 9:41 p.m.

Preisler stated that the development needs another access point to County Road 121 as the "S curve" does not work. The stormwater pond primarily benefits Champlin, yet it is located in Dayton. The primary concern is the future access. Preisler would like to see the ghost plat revised.

Crosland agrees with Preisler. Buffering along the main County Road should be maintained by the existing community and the additional access should line up with another road.

Van Asten stated that safety has to come first and there is no reason the lot lines can't line up with the City lines. Van Asten stated that the concept plan, as it is presented, is not beneficial to the City of Dayton.

DeMuth stated that the road alignment does not make sense at all in the ghost platting. DeMuth is concerned about the possibility of developing a 2.5-acre lot with only two houses. The Planning Commission has been informed that the Met Council is changing the requirements from three units per acre to four units per acre. DeMuth does not believe the City should take the burden of the stormwater pond.

DeMuth stated that with regard to the homeowners association, after the build-out is complete, the two neighborhoods could ultimately join together. DeMuth would like to have the aesthetics continue into the City of Dayton.

There was consensus amongst the Planning Commission that two neighborhoods would work better – one neighborhood in Champlin and one neighborhood in Dayton.

Sevald stated that the concept plan is for one piece of property.

Van Asten stated that there are two parcels that the applicant would like to develop at the same time. Van Asten stated that the Planning Commission's job is not to make sure that property developers make as much money as possible. The Planning Commission's job is to make sure that it does what is best for the City of Dayton.

Sevald was unable to work through the technical issues, so the applicant was unable to address the Planning Commission.

VIII. NOTICES AND ANNOUNCEMENTS

- A.** Joint Work Session, Master Plan, Tuesday, August 27, 2024, at 5:30 p.m.
Sevald requested that the Planning Commission preview the materials and come prepared to provide input.
- B.** DCM Farms Concept Plan
Sevald stated that the revised concept plan, based on community input, should be before the Planning Commission in September.
- C.** Dayton Creek Addition

Sevald stated that the Dayton Creek is a mixed-use development that came before the Planning Commission over a year ago. The developer will be proposing all outlots where the use will be proposed at a later date. The developer's intent is to plat and build the road now in order to make the property more marketable.

Quisberg stated the original submittal was in May of last year.

Sevald stated that there are a lot of environmental hurdles to jump through.

D. The Parkway Neighborhood

Sevald stated that the Parkway Neighborhood is currently under an Environmental Assessment Worksheet (EAW) review. There are a couple more weeks to go, which will likely put the Parkway Neighborhood before the Planning Commission in September. At that time, the Planning Commission will be asked to give input on the Comprehensive Plan, the Zoning Map, the Planned Unit Development, the Preliminary Plat, and the Final Plat.

E. Cannabis Licensing

Sevald stated during the September Planning Commission meeting, they will be asked where Cannabis should be allowed to be sold in the City of Dayton.

F. Sevald stated the opinion survey from the Morris Leatherman Company will be presented directly to the City Council. The telephone calls began today and will continue until the targeted number of contacts have been made.

Fisher stated that the City Council has not approved the final list of questions, so it likely did not start today. Sevald stated that it definitely started today. Fisher had a problem with that and stated he would speak to Doud.

G. Sevald stated that the Large Assembly Permits Ordinance amendment will be presented directly to the City Council.

H. Sevald stated that the Sundance Greens 11th Addition final plat will be presented directly to the City Council.

I. Sevald stated that the Riverwalk 3rd Addition final plat will be presented directly to the City Council.

DeMuth asked if anyone from the Planning Commission has any announcements.

Van Asten stated there is a Primary Election on August 13, 2024, and everyone should vote.

It was noted that Dayton Heritage Days is set for the third weekend of September.

IX. ADJOURNMENT

MOTION by Crosland to adjourn, Van Asten seconded the motion. Motion carried unanimously. The meeting adjourned at 10:04 p.m.

Respectfully submitted,

Sandra Major, Recording Secretary
TimeSaver Off Site Secretarial, Inc

ITEM:

Zoning Map Amendment, 11321 Elm Creek Road

APPLICANT:

Raymond Drake, Drake Construction, Inc.

PREPARED BY:

Hayden Stensgard, Planner II

BACKGROUND/OVERVIEW:

The owners of 11321 Elm Creek Road are requesting rezoning of the subject property from A-1, Agricultural district, to R-1, Single-Family Residential district, to accommodate demolition of the existing home on site, and subsequent build of a new single-family home in its place. The rezoning request is to accommodate the proposed impervious surface calculation of 14.09% on site with the new home, porch and driveway, and bring the property into lot standard conformance with the City's Zoning Ordinance. With a maximum impervious surface coverage of 10% in the A-1 district, the property does not currently conform to this standard (10.95% existing coverage), and would not conform to this standard with the proposed conditions by the property owner (14.09% proposed coverage).

Being that the existing impervious surface coverage on site is a legal-non-conformity, the property owners would have a right to repair and/or replace so as it does not expand the non-conformity. With the proposed new home and driveway layout, a rezoning request is necessary for the owners to acquire prior to construction.

Further review of the lot's conditions with regard to the A-1 district standards show that the lot does not conform with any of the A-1 minimum lot standards. The table below details that comparison, along with how the subject property conforms with all the minimum lots standards for the R-1 district.

Lot Standards	A-1 Minimum Requirements	R-1 Minimum Requirements	Subject Lot Dimensions
Minimum lot size	40 Acres	15,000 SF	28,023 SF (.64 acres)
Minimum lot frontage	300 feet	60 Feet	>105 feet
Minimum corner lot frontage	300 feet	90 Feet	N/A
Minimum lot width at setback	300 feet	80 Feet	106 feet
Minimum lot depth	330 feet	120 Feet	294 feet
Maximum impervious surface (per lot)	10%	50%	10.95% (Existing), 14.09% (Proposed)
* minimum setback to an arterial street: 50 feet.			

All other aspects of the R-1 district standards will apply to the new construction of the single-family home. Though not directly relevant to the rezoning request, those standards would be reviewed accordingly during the building permit review process.

CRITICAL ISSUES:

There are no outstanding issues with this request.

PLANNING COMMISSION MEETING

ROLE OF PLANNING COMMISSION:

The role of the Planning Commission is to review the aspects of the rezoning request as it relates to the City's Zoning Ordinance and 2040 Comprehensive Plan. The Planning Commission shall also hold a public hearing, and provide a recommendation to the City Council on the matter before they make a final decision.

STAFF RECOMMENDATION:

Staff recommends the Planning Commission recommend the City Council approve the rezoning application. The subject property conforms with the R-1 district lot standards as demonstrated above, and does not conform with its existing A-1 district lot standards.

A public hearing was published by The Press on August 22nd, 2024 and mailed to property owners within 500 feet of the subject property.

60/120-DAY RULE (IF APPLICABLE):

Request for Rezoning	60-Days	120-Days
	10/13/2024	12/12/2024

ATTACHMENT(S):

Draft Ordinance No. 2024-XX

Aerial Photo

Street View Photo

Existing Conditions Survey

Proposed Conditions Survey

City of Dayton Zoning Map

2040 Comprehensive Plan Future Land Use Map

Public Hearing Notice

ORDINANCE NO. 2024-XX

**CITY OF DAYTON
COUNTIES OF HENNEPIN AND WRIGHT**

**AN ORDINANCE TO AMEND THE DAYTON ZONING ORDINANCE BY
AMENDING ZONING DISTRICTS THEREIN**

THE CITY COUNCIL OF THE CITY OF DAYTON DOES ORDAIN:

SECTION 1. **AMENDMENT**. The zoning classification of the property described in Section 2, as shown on the zoning map referred to in Section 1001.04, subd. 2, of the Dayton Ordinance Code, is hereby amended from A-1, Agricultural District to R-1, Single-Family Residential District.

SECTION 2. **PROPERTY DESCRIPTION**.

PID: 3512022110003

Legal: The East 100 feet of Tract B, Registered Land Survey 1065, Except Road, Hennepin County, Minnesota

SECTION 3. **EFFECTIVE DATE**. This Ordinance shall be in full force and effect from and after its passage.

Adopted by the City Council of the City of Dayton this ____ day of _____ 2024.

Mayor Dennis Fisher

ATTEST:

City Clerk Amy Benting

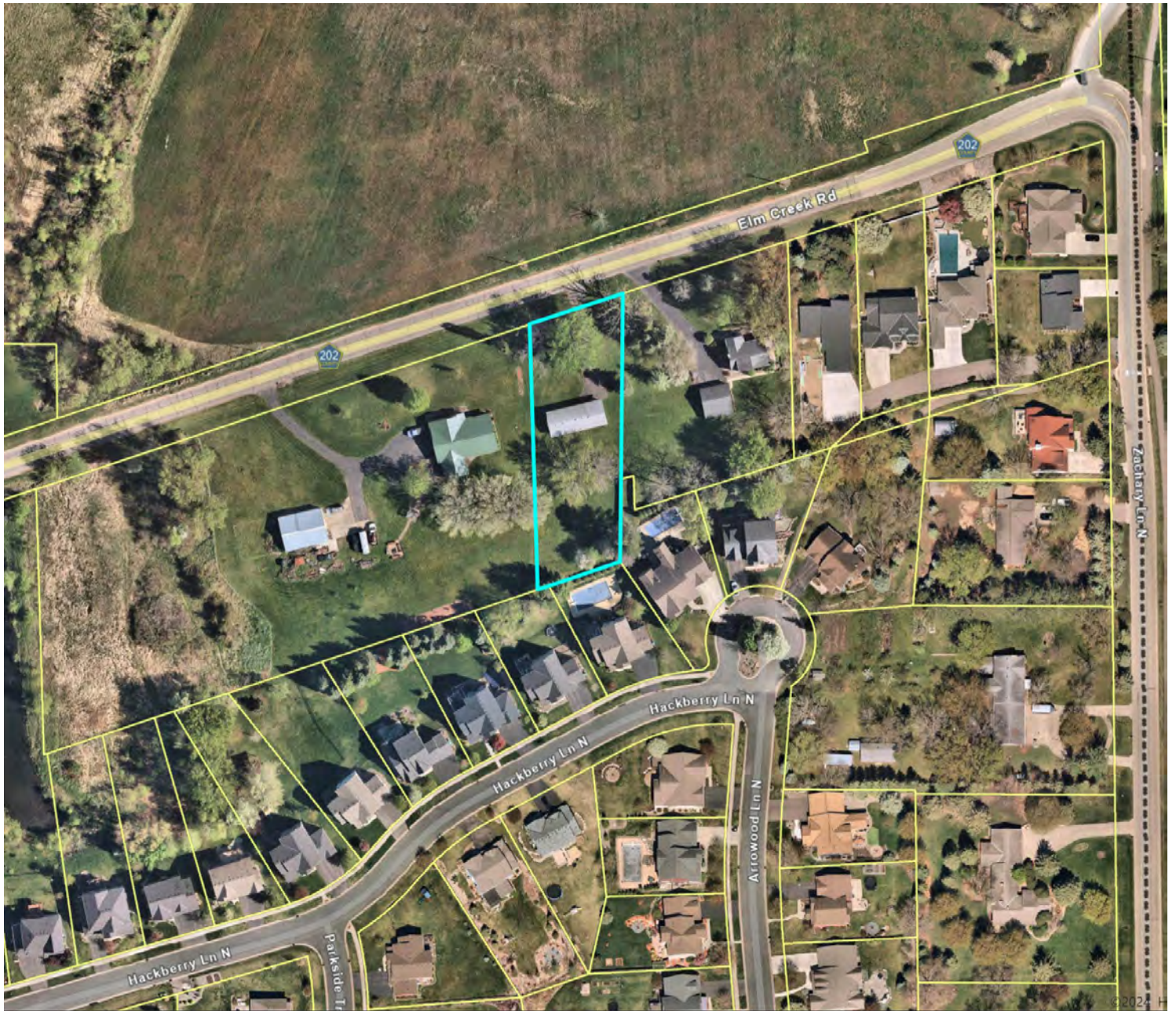
Motion by _____, Second by _____

*Ordinance **approved***

MOTION DECLARED PASSED

Published in the Champlin Dayton Press on

Request to rezone 11321 Elm Creek Road from A-1, Agricultural District to R-1, Single-Family Residential District





Surveyors Certificate

Existing Conditions Survey For:

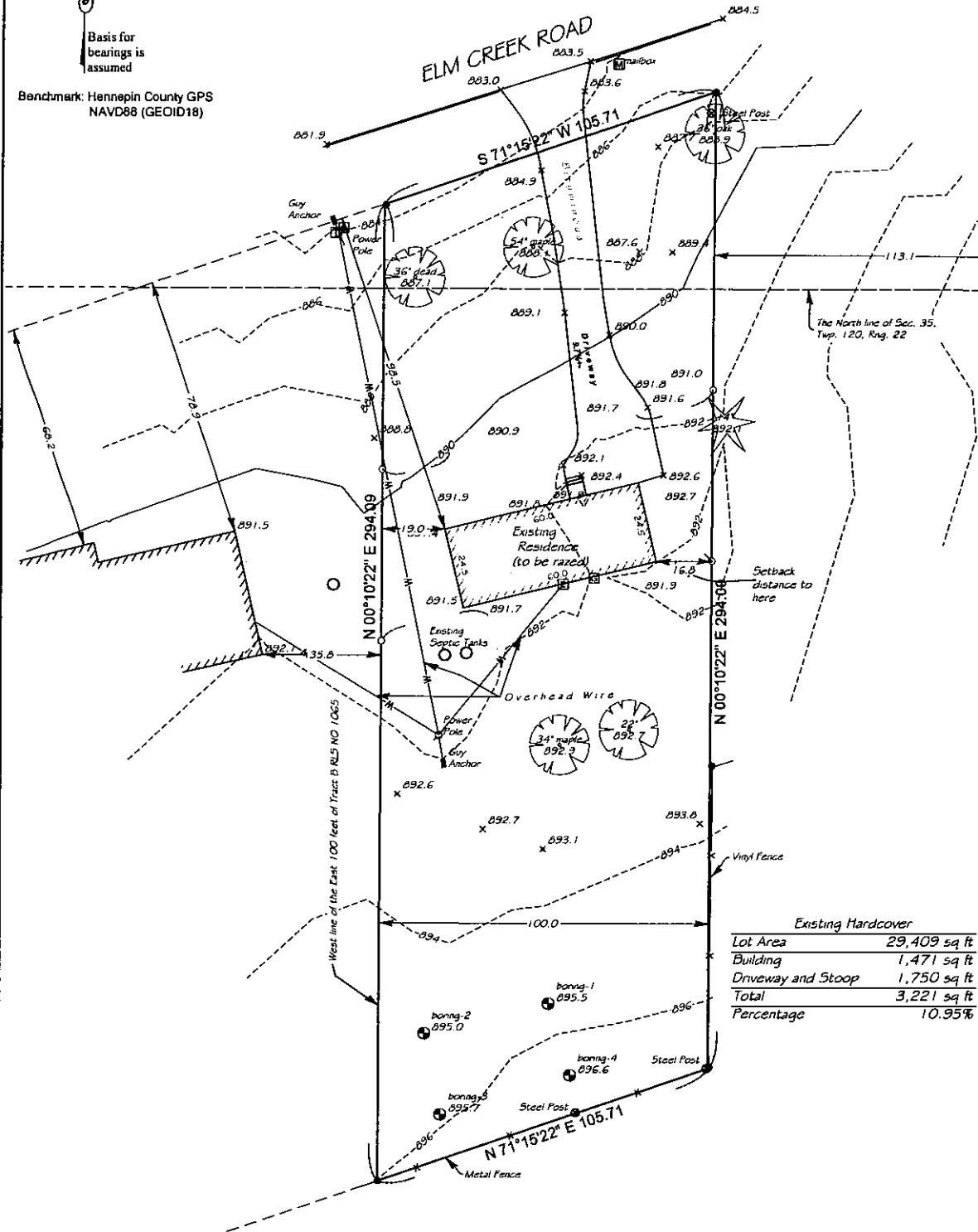
DRAKE CONSTRUCTION

Property located in Sections
26 & 35, Township 120, Range 22,
Hennepin County, Minnesota

- Denotes Found Iron Monuments
- Denotes Iron Monument
- Denotes Wood Hub Set for excavation only
- Denotes Existing Contours
- - - Denotes Proposed Contours
- x000.0 Denotes Existing Elevation
- 000.0 Denotes Proposed Elevation
- Denotes Surface Drainage

Basis for
bearings is
assumed

Benchmark: Hennepin County GPS
NAVD88 (GEOID18)



Legal Description
The East 100 feet of Tract B, Registered Land
Survey 1065, Except Road
Hennepin County, Minnesota

DEMARC

LAND SURVEYING & ENGINEERING
7601 73rd Avenue North (763) 560-3093
Minneapolis, Minnesota 55428 Demarcinc.com

Project No. 90784

F.B.No. -

Address: 11321 Elm Creek Road
Dayton, MN

rev

Scale: 1" = 30'

Drawn By P.H.









I certify that this survey, plan, or report was prepared by me or under my
direct supervision and that I am a duly Licensed Land Surveyor under
the laws of the State of Minnesota
Surveyed this 24th day of July 2024.

Signed

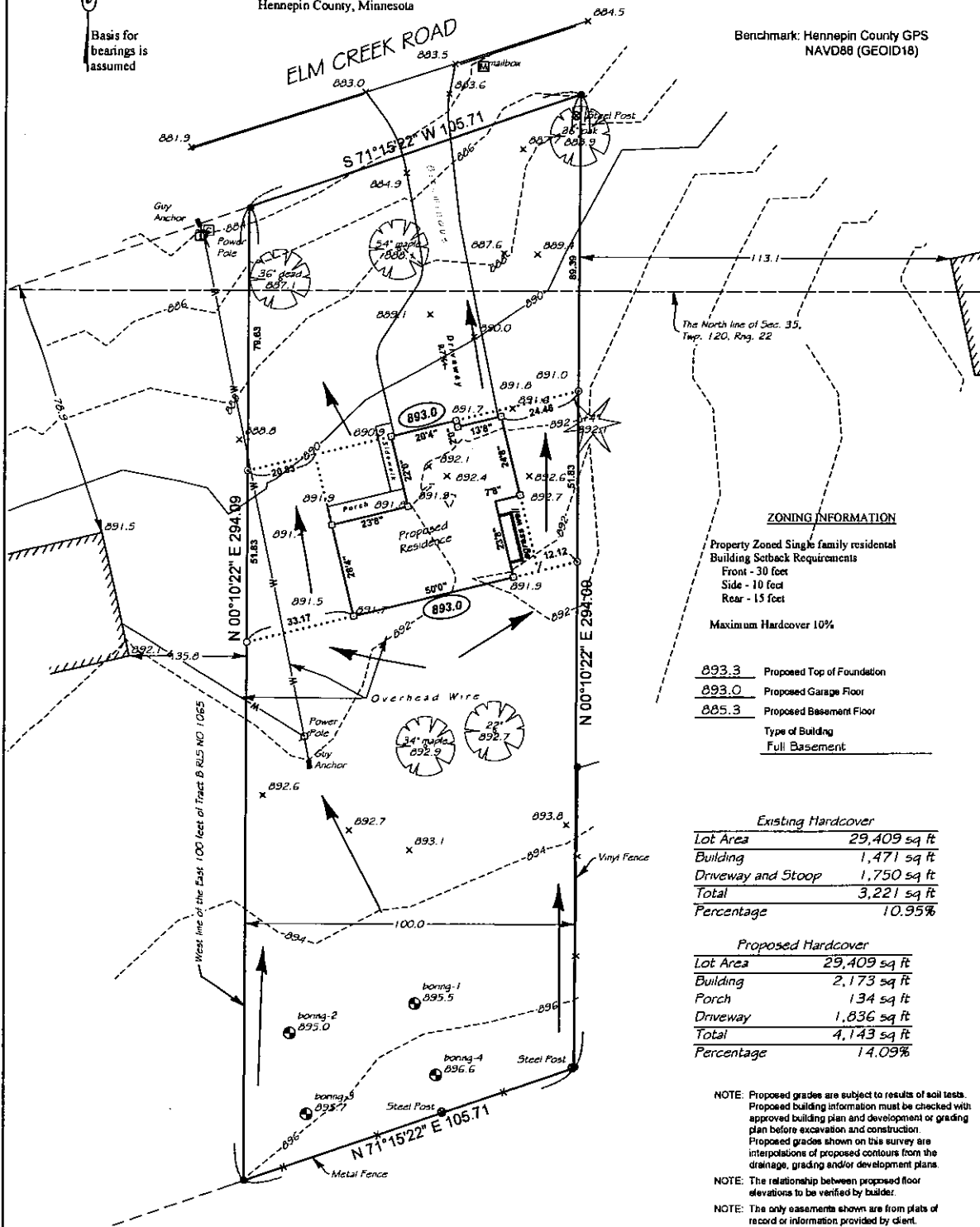
Gregory R. Prisch, Minn. Reg. No. 24992

DRAKE CONSTRUCTION

Basis for bearings is assumed

-  Denotes Found Iron Monument
 Denotes Iron Monument
 Denotes Wood Hub Set for excavation only
 Denotes Existing Contours
 Denotes Proposed Contours
 Denotes Existing Elevation
 Denotes Proposed Elevation
 Denotes Surface Drainage

Benchmark: Hennepin County GPS
NAVD88 (GEOID18)



NOTE: Proposed grades are subject to results of soil tests. Proposed building information must be checked with approved building plan and development or grading plan before excavation and construction. Proposed grades shown on this survey are interpolations of proposed contours from the drainage, grading and/or development plans.

NOTE: The relationship between proposed floor elevations to be verified by builder.

NOTE: The only easements shown are from plats of record or information provided by client.

DEMARC

LAND SURVEYING & ENGINEERING
7601 73rd Avenue North (763) 560-3093
Minneapolis, Minnesota 55428 DemarcInc.com

I certify that this survey, plan, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

Surveyed this 24th day of July 2024.

Signer

Gregory R. Prabach, Minn. Reg. No. 24992

0 0.25 0.5 0.75 1 Miles

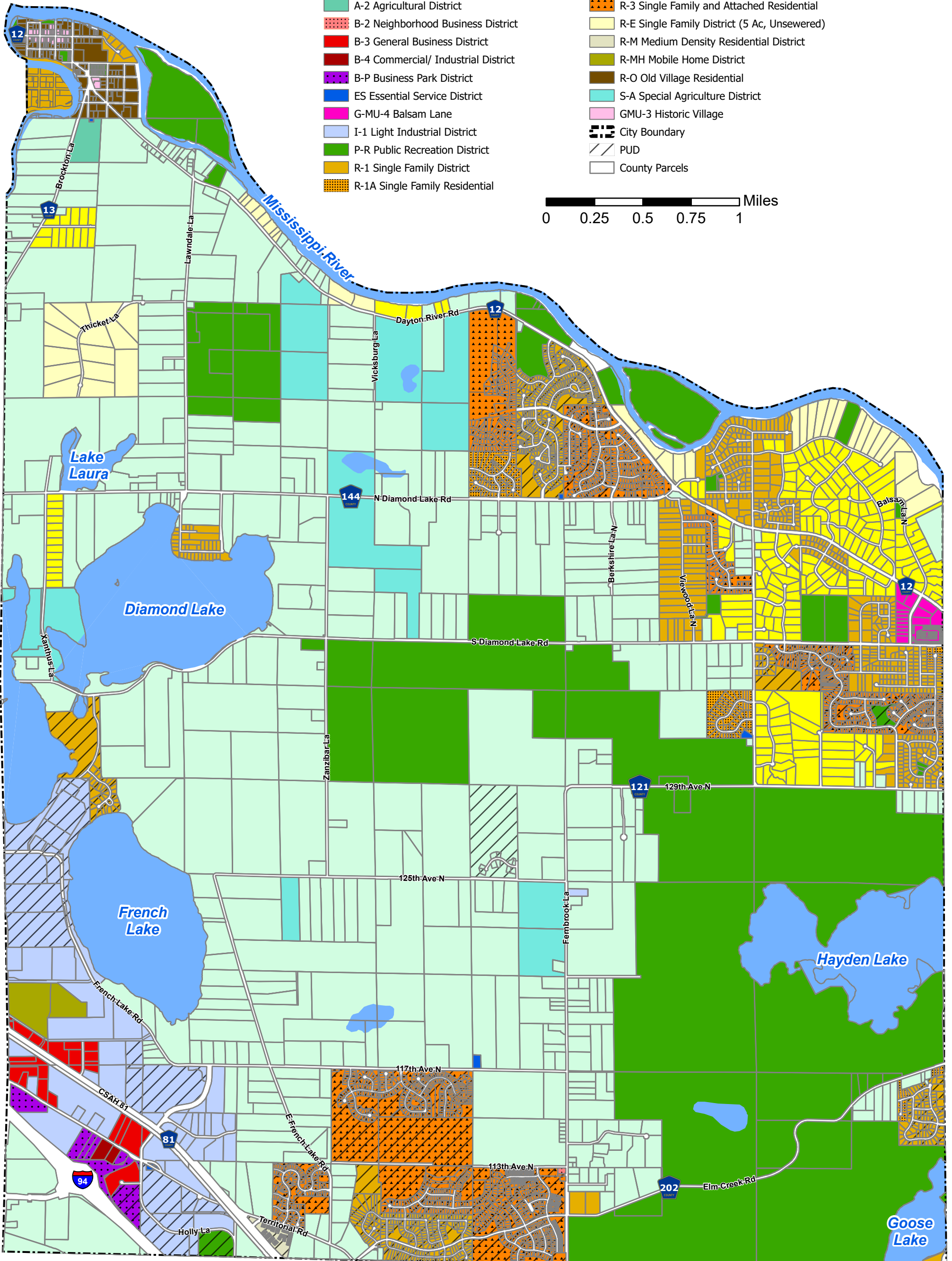
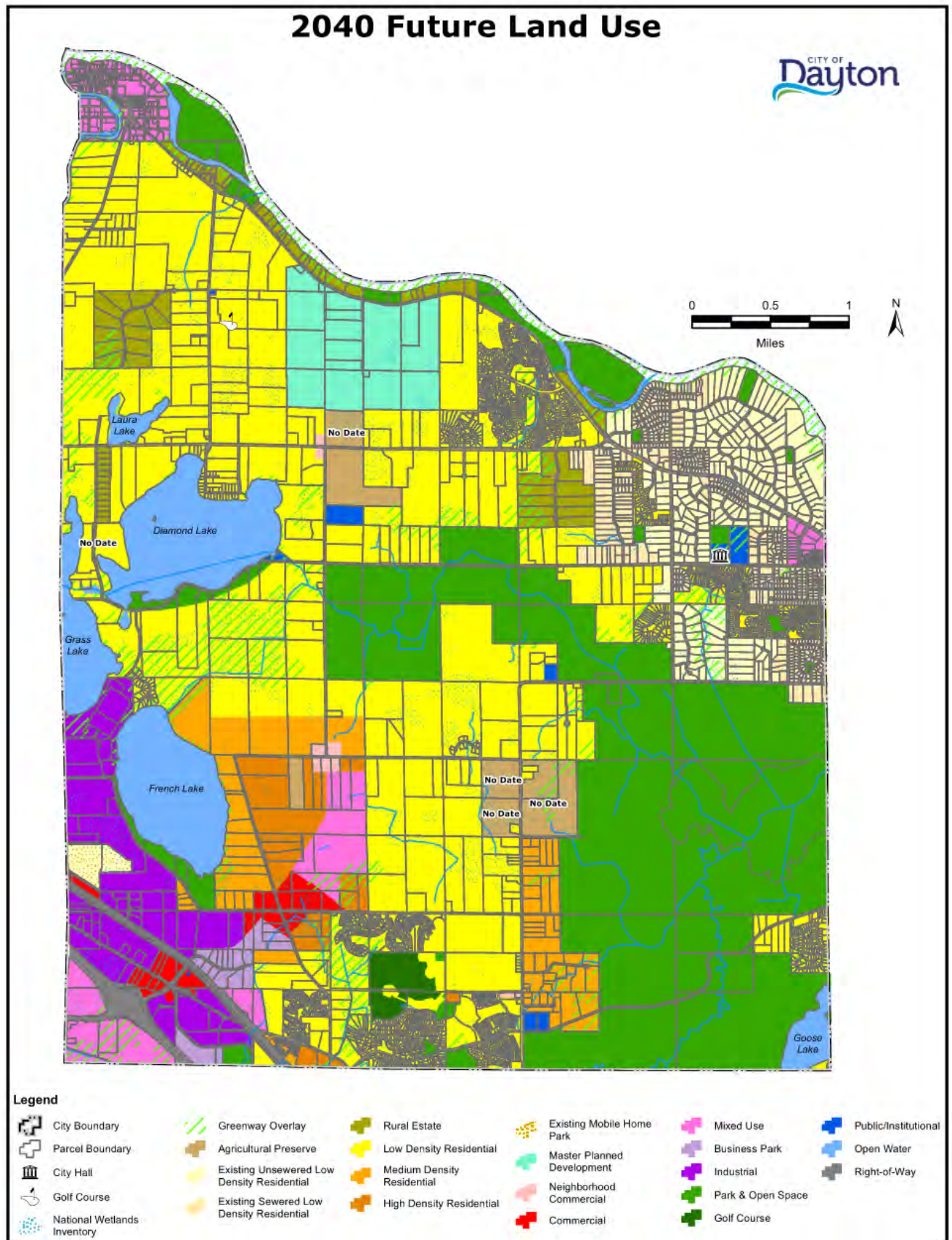


Figure 3: Future Land Use Map



ITEM:

Cubes Concept Plan

APPLICANT:

Ben Weinstein, CRG

PREPARED BY:

Jon Sevald, Community Development Director

POLICY DECISION / ACTION TO BE CONSIDERED:

Planning Commission Members should provide comments if there is support to exceed two acres of outdoor storage (eight acres proposed). If supportive, under what conditions. With a Concept Plan, there is no formal Motion to recommend Approval or Denial. All comments are informal and non-binding.

BACKGROUND:

In 2021, the City Council approved a Planned Unit Development (PUD) for The Cubes, 11500 Dayton Parkway.¹ The project consists of a 996,960 sq ft warehouse/distribution facility. As a PUD, there may be deviations from City Code requirements. Approved deviations include:

1. Structure height limited to 55' [vs. 50'].²
2. Parking based on 1 space per 3,300 sq ft of floor area [vs. 1 space per 2,000 sq ft].³
3. Waiver of requirement for cash-in-lieu of fee for tree replacement.
4. Flexibility with wall signage height and freestanding sign up to 18'6" [vs. 8'].⁴

The property is vacant. The Applicant has a potential tenant (Project Falcon) for the west half of the property. Project Falcon requires 8-9 acres of outdoor storage of building materials, whereas City Code limits outdoor storage to 20% of the lot or two acres, whichever is smaller.⁵

The Applicant is considering two options:

1. Convert the stormwater ponds for outdoor storage and replace with underground stormwater chambers.
2. Purchase three adjacent homes for expansion of outdoor storage and stormwater ponds.

A Concept Plan does not include the amount of detail included in a Preliminary Plat or Site Plan Review. If the City Council is supportive of additional outdoor storage, the Applicant intends to submit additional applications, including;

¹ Resolution 54-2021; Granting Approval of Preliminary Plat, Final Plat, Planned Unit Development, and Development Agreement for The Cubes at French Lake.

² A CUP is required to exceed height limit in Commercial and Industrial districts (City Code 1001.063, Subd 1(6) and 1001.14, Subd 3(4)(a).

³ City Code 1001.19, Subd 7(2)(cc)

⁴ City Code 1001.20, Subd 5(2) (Table 2- Freestanding Signs)

⁵ City Code 1001.051, Subd 2(4)(c)

1. Comprehensive Plan amendment, amending the Future Land Use Map of the three homes, from Medium Density Residential, to Industrial (if the homes are included in the project).
2. Zoning Map amendment, amending the three homes from A-1 Agricultural to I-1 Light Industrial and PUD Planned Unit Development (if the homes are included in the project).
3. Preliminary/Final Plat approval, adding the three homes to The Cubes at French Lake (if the homes are included in the project).
4. Amend the PUD to allow a deviation from City Code to exceed two acres of outdoor storage, and to allow outdoor storage adjacent to residential.

CRITICAL ISSUES:

1. Sufficient screening is needed to entirely screen outdoor storage from public roadways and residences (Note: outdoor storage is not permitted adjacent to residential).⁶ The 2040 Comprehensive Plan guides these four homes for Medium Density Residential.
2. If acquiring the adjacent three homes, there is a fourth home (11781 West French Lake Road) that will appear as an island surrounded by warehouses (home was excluded because of its recent sale).

60/120-DAY RULE (IF APPLICABLE):

	60-Days	120-Days
Concept Plan	TBD	TBD

RELATIONSHIP TO COUNCIL GOALS:

Create a Sought After Community

BUDGET IMPACT:

N/A

EDA RECOMMENDATION:

The EDA reviewed at its August 20th meeting. Generally, the EDA opposed exceeding two acres of outdoor storage because of the precedence it would set. The EDA requested additional information regarding what building materials would be stored outside.

STAFF RECOMMENDATION:

Staff does not have a recommendation, but offers considerations:

1. If the intent of limiting outdoor storage is to encourage more buildings and less asphalt, displacing surface stormwater “storage” with outdoor storage does not detract from investment in buildings. We’re not losing property tax revenue by allowing outdoor storage where a building would have been otherwise built.
2. Outdoor Storage is not permitted next to residential. To allow outdoor storage would be inconsistent with the City Code, but for amending the PUD to allow this deviation.

⁶ City Code 1001.051, Subd 2(4)(i); (Additional Requirements for all Industrial and Business Park Uses as Regulated in Section 1001.063); *Outdoor Storage areas shall not be adjacent to roads classified as either major or minor arterials and the storage area shall not abut any land guided residential.*

3. The Applicant has not submitted much detail about the proposed outdoor storage. Discretion is common when multiple sites are competing for a large tenant. If the Commission is supportive of additional outdoor storage, the Commission should consider under what limitations should it be allowed (e.g. maximum height, screening, etc.).

ATTACHMENT(S):

Aerial Photo

Site Photos

Concept Plan, SK-1 and SK-5

AERIAL PHOTO



SITE PHOTOS

PLANNING COMMISSION REGULAR MEETING



Panoramic view looking east toward the stormwater ponds from Dayton-94 building (west neighbor). Troy Lane at left, The Cubes at right (photo Aug 15, 2024).



Near intersection of West French Lake Road & Troy Lane, looking southeast toward The Cubes (photo Aug 15, 2024)



Panoramic view west-to-north, looking northwest along West French Lake Road. Proposed outdoor storage expansion (option 2) in the wooded area (three homes). (Photo Aug 15, 2024).

PLANNING COMMISSION REGULAR MEETING



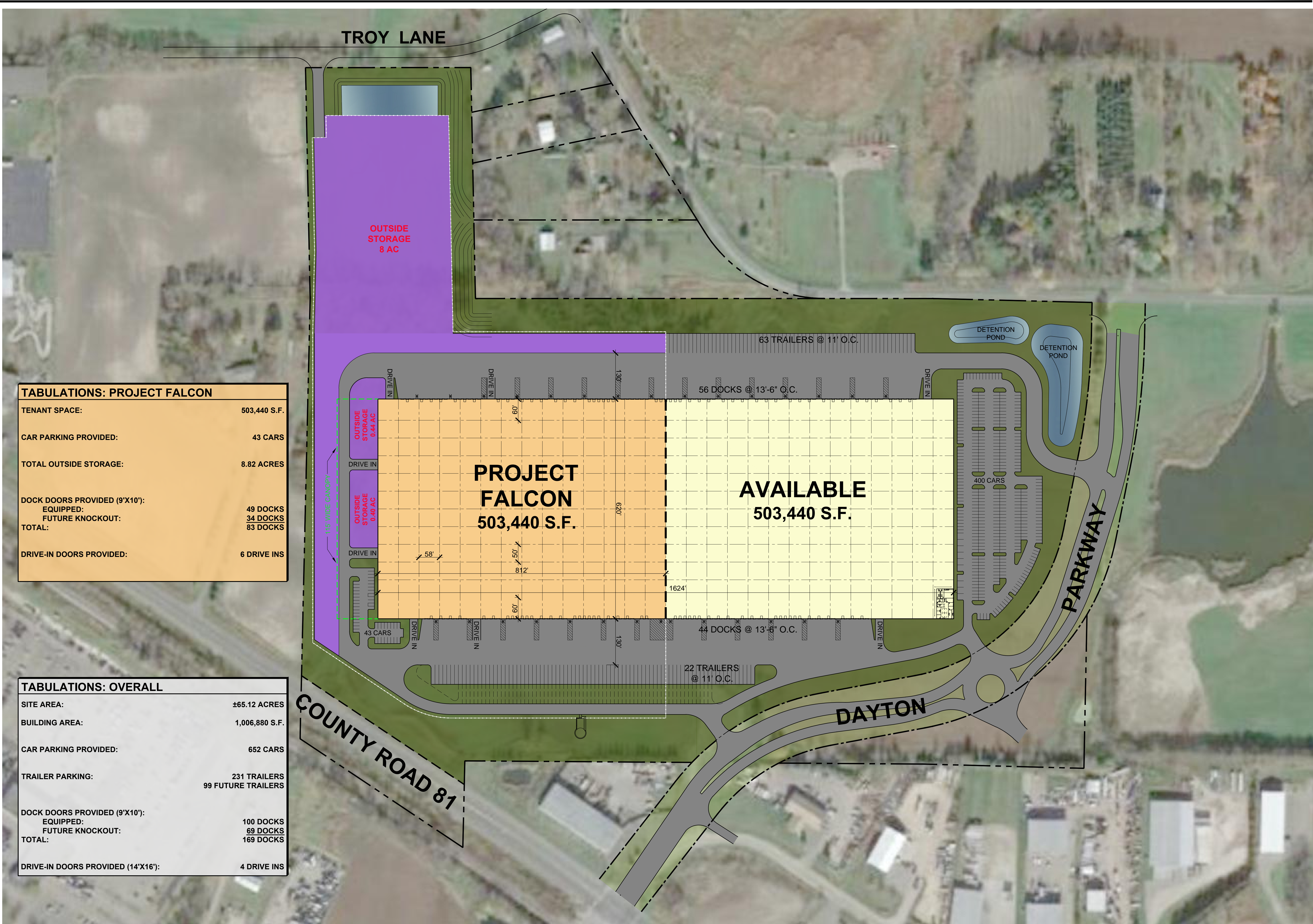
Panoramic view looking north-to-east of southwest corner of The Cubes, Co Rd 81 at right (photo Aug 15, 2024).



View of west side of The Cubes. Proposed canopy over parking lot for outside storage (photo Aug 15, 2024).

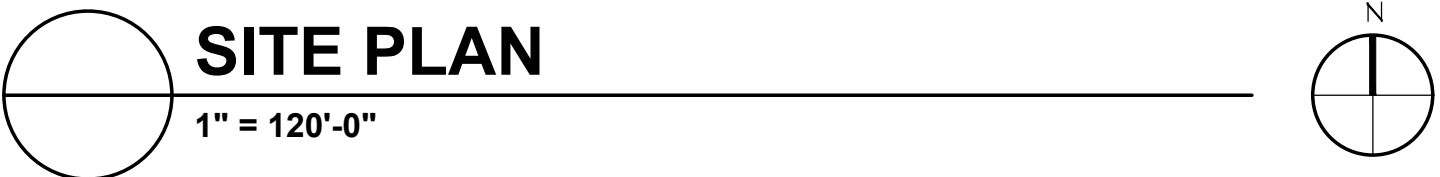


Figure 1 Panoramic view of west side of The Cubes. Proposed canopy over parking lot (to be outside storage) (photo Aug 15, 2024).



TABULATIONS: PROJECT FALCON	
TENANT SPACE:	503,440 S.F.
CAR PARKING PROVIDED:	43 CARS
TOTAL OUTSIDE STORAGE:	8.82 ACRES
DOCK DOORS PROVIDED (9'X10'):	49 DOCKS
EQUIPPED:	34 DOCKS
FUTURE KNOCKOUT:	83 DOCKS
TOTAL:	83 DOCKS
DRIVE-IN DOORS PROVIDED:	6 DRIVE INS

TABULATIONS: OVERALL	
SITE AREA:	±65.12 ACRES
BUILDING AREA:	1,006,880 S.F.
CAR PARKING PROVIDED:	652 CARS
TRAILER PARKING:	231 TRAILERS
	99 FUTURE TRAILERS
DOCK DOORS PROVIDED (9'X10'):	100 DOCKS
EQUIPPED:	69 DOCKS
FUTURE KNOCKOUT:	169 DOCKS
TOTAL:	169 DOCKS
DRIVE-IN DOORS PROVIDED (14'X16'):	4 DRIVE INS



SEAL

developed by:
CRG
INTEGRATED
REAL ESTATE
SOLUTIONS
realcrg.com

35 E. WACKER DRIVE
CHICAGO, ILLINOIS 60601
Ph 312.658.0747 Fx 314.429.1890

Architect

CONSULTANT NAME

Civil Engineer

CONSULTANT NAME

Structural Engineer

CONSULTANT NAME

Landscape Architect

CONSULTANT NAME

Interior Architect

CONSULTANT NAME

MEP Engineer

CONSULTANT NAME

PROJECT:

FRENCH LAKE
DAYTON, MN

Developer

DRAWING ISSUE

08/13/2024

Description

Date

Drawing Title

SITE PLAN

Drawing No.

SK-5

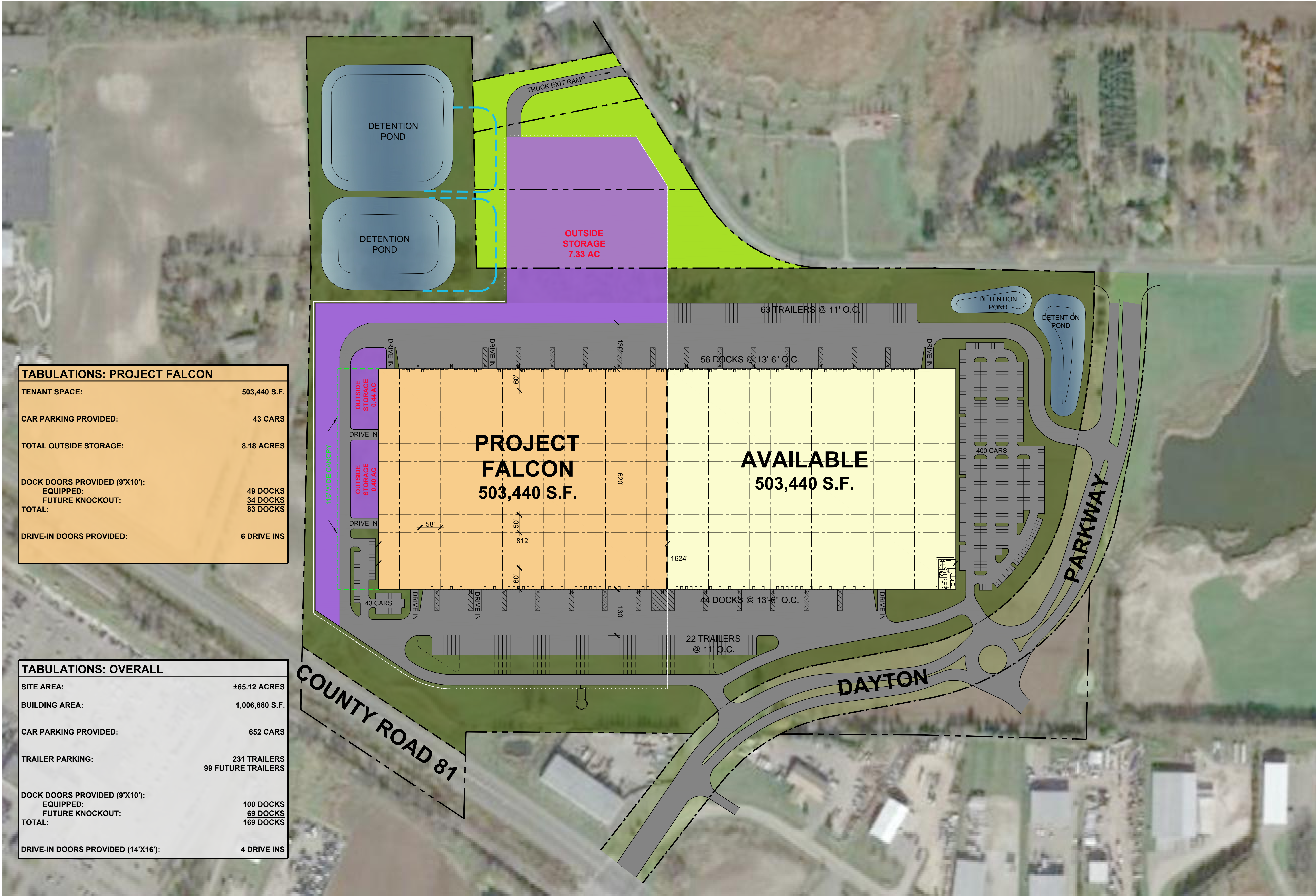
Clayco
Job No.

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Consult.
Job No.

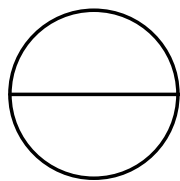
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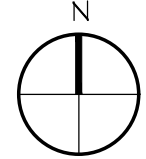
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TOTAL:	169 DOCKS
DRIVE-IN DOORS PROVIDED (14'X16'):	4 DRIVE INS



SITE PLAN

1" = 120'-0"



SEAL

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35 E. WACKER DRIVE
CHICAGO, ILLINOIS 60601
Ph 312.658.0747 Fx 314.429.1890

Architect

Civil Engineer

CONSULTANT NAME

Structural Engineer

CONSULTANT NAME

Landscape Architect

CONSULTANT NAME

Interior Architect

CONSULTANT NAME

MEP Engineer

CONSULTANT NAME

PROJECT:

FRENCH LAKE

DAYTON, MN

Developer

DRAWING ISSUE

08/08/2024

Description

Date

Drawing Title

SITE PLAN

Drawing No.

SK-1

Clayco
Job No. #-###-###

Consult.
Job No. #-###-###

XXX

ITEM:

Concept Plan (revised), DCM Farms

APPLICANT/PRESENTERS:

Tom Dehn, Sundance Woods LLC

PREPARED BY:

Jon Sevald, Community Development Director

POLICY DECISION / ACTION TO BE CONSIDERED:

No Action. Councilmembers should provide comments and recommendations.

BACKGROUND/OVERVIEW:



On June 6, 2024, the Planning Commission reviewed five concept plans. The Applicant has revised the concept plan for further review. The project includes 267 homes (59 single-family, 208 detached townhomes). The project will be a Planned Unit Development (PUD) vs. R-3 zoning because some lots are smaller than allowed in the R-3 district (R-3 district is the most similar district to what is proposed).

Lots	Type	R-3					Proposed				
		Size	Width	Setbacks			Size	Width	Setbacks		
				Front	Side	Rear			Front	Side	Rear
104	Villas	6500	Min 55' @ setback, avg 62'	20' porch 25' living 30' garage	7.5'	30'	4000	40'	25'	5'	25'
26	Villas							45'		7.5'	
55	Villas							50'			
29	Villas							55'			
54	Single-family							65'			
5	Single-family							75'			

Staff recommends following R-3 front yard setbacks or reducing front setbacks by 5' to allow a larger backyard.

Referring to the R-3 district, the expectation is that all of these YES/NO boxes below will be checked as part of the Concept Plan review.

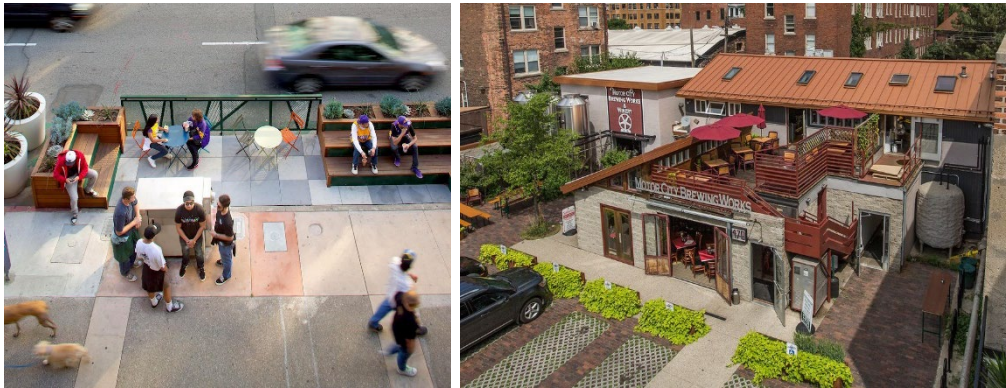
All R-3 developments shall incorporate 4 of the following elements into the development plan. These elements shall be identified during the concept plan review process and incorporated into the development plan at time of Preliminary Plat.		
YES	NO	
X		<p><i>Public or private open space accessible and useable by the neighborhood and surrounding neighborhoods.</i></p> <p>STAFF COMMENT: Trails and sidewalks will connect to adjacent neighborhoods.</p> <p>STAFF RECOMMENDATION: Add median on 114th Ave in commercial area (slows traffic), similar to Rush Creek Pkwy. Add public plaza in commercial area with seating, public art related to rural heritage.</p>

		  <p><i>Market Square, Mendota Heights</i> <i>Sibley Park, Mankato</i></p>
		<p><i>Increased park land dedication beyond the required park dedication amount when land is required by the ordinance;</i></p> <p>STAFF COMMENTS: Land to be dedicated as parkland is intended to include land areas guided for parks (e.g. NW corner)¹. Other land to be dedicated as parkland is based on net density (not known). Gross density is 2.9 units p/acre, requiring 12% (11 acres) of land to be dedicated for parks/trails.²</p>
		<p><i>Expansion of existing open space or open space corridors and/or linking open space corridors beyond borders of the site;</i></p>
	X	<p>Preservation of existing natural resources, woodlands and unique topographical features if they exist;</p>
X		<p><i>Increased landscape buffer along roadways beyond minimum requirements of the ordinance;</i></p> <p>STAFF COMMENT: 50' Buffer along Fernbrook. For comparison, Sundance Woods buffer is 50'-260'.</p>
		<p><i>Increased internal landscaping throughout the site beyond minimum requirements of the ordinance;</i></p>
	X	<p><i>Private parks furnished with commercial grade playground equipment approved by City Staff;</i></p>
		<p><i>Enhanced pedestrian scale and decorative street lighting;</i></p>
		<p><i>Construction of trails (above what is required by ordinance);</i></p>
	X	<p><i>Sidewalks are provided on both sides of the street;</i></p>
		<p><i>Recreational facilities, pool or other on site amenities which serve the entire development;</i></p>
		<p><i>Monument signage with decorative lighting, and enhanced entry landscaping surrounding the monument;</i></p>
		<p><i>Water feature at entry or used in storm water ponds;</i></p>
		<p><i>Architectural detail beyond minimum requirements of the ordinance;</i></p> <p>STAFF RECOMMENDATION: Require design standards that replicate commercial main street, and farmhouse architecture.</p>




¹ City Code 1002.08, Subd 10,(3)(b)

² City Code 1002.08, Subd 10(f)(1) (Residential development)

PLANNING COMMISSION MEETING

Minimum single-family detached lot size shall be 6,500 square feet. Single-family lot widths shall be a minimum of 55 feet provided all single-family lot widths in the development area average to 62 feet in width as measured from the required front setback and no more than 30% of the lots shall be less than 62 feet wide. Required elements include the following:		
YES	NO	Category 1: Choose 2 of the following:
		<i>Public or private open space (above what is excluded in net calculation);</i>
		<i>Increased park land dedication beyond the required park dedication amount when land is required by the ordinance;</i>
		<i>Expansion of existing open space or open space corridors and/or linking open space corridors beyond borders of the site;</i>
		<i>Preservation of existing natural resources and woodlands (as mapped as the greenway corridor on the Land Use Plan) beyond minimum net calculation or required by ordinance.</i>
YES	NO	Category 2: Choose 1 or more of the following:
		<p><i>Site amenities: private parks, enhanced pedestrian scale and decorative street lighting, tot lots, trails (above what is required by ordinance), recreational facilities, community center, pools or other on site amenities which serve the entire development.</i></p> <p>STAFF RECOMMENDATION: Add public seating along 114th Ave, public plaza/eatery.</p>
		
YES	NO	Category 3: Choose 1 of the following:
		<i>Implementation of storm water reuse for common areas and individual lots irrigation;</i>
		<p><i>Multiple development wide enhanced entry features including the following elements: monument signage with decorative lighting, water feature and enhanced entry landscaping surrounding the monument;</i></p> <p>STAFF RECOMMENDATION: If a monument sign, make it be different than typical.</p>

PLANNING COMMISSION MEETING

		 
		<p><i>Architectural detail beyond minimum requirements;</i></p> <p>STAFF RECOMMENDATION: Include at least one signature commercial building (e.g. destination restaurant) that relates to barn architecture.</p> 
YES	NO	<p><i>When a development contains a mixture of attached and detached dwelling units a transition area shall be provided through means of landscaping berming, buffering, or other manner.</i></p>
YES	NO	<p><i>Density. The minimum net density for the total development shall be 2 units per acre with a maximum density of 4 units per net acre. When calculating net density exclude from gross acres wetlands and water bodies, public park dedication, arterial streets and natural resources mapped as the Greenway Corridor on the Comprehensive Land Use Plan.</i></p> <p>STAFF COMMENTS: Net Density TBD.</p>

CRITICAL ISSUES:

With a PUD, there needs to be a public benefit of the project that would not occur if R-3 zoning were used.

60/120-DAY RULE (IF APPLICABLE):

	60-Days	120-Days
Concept Plan	-	-

RELATIONSHIP TO COUNCIL GOALS:

Planning Ahead to Manage Thoughtful Development
 Preserving our Rural Character
 Create a Sought After Community

ROLE OF PLANNING COMMISSION:

No Action. Councilmembers should provide comments and recommendations.

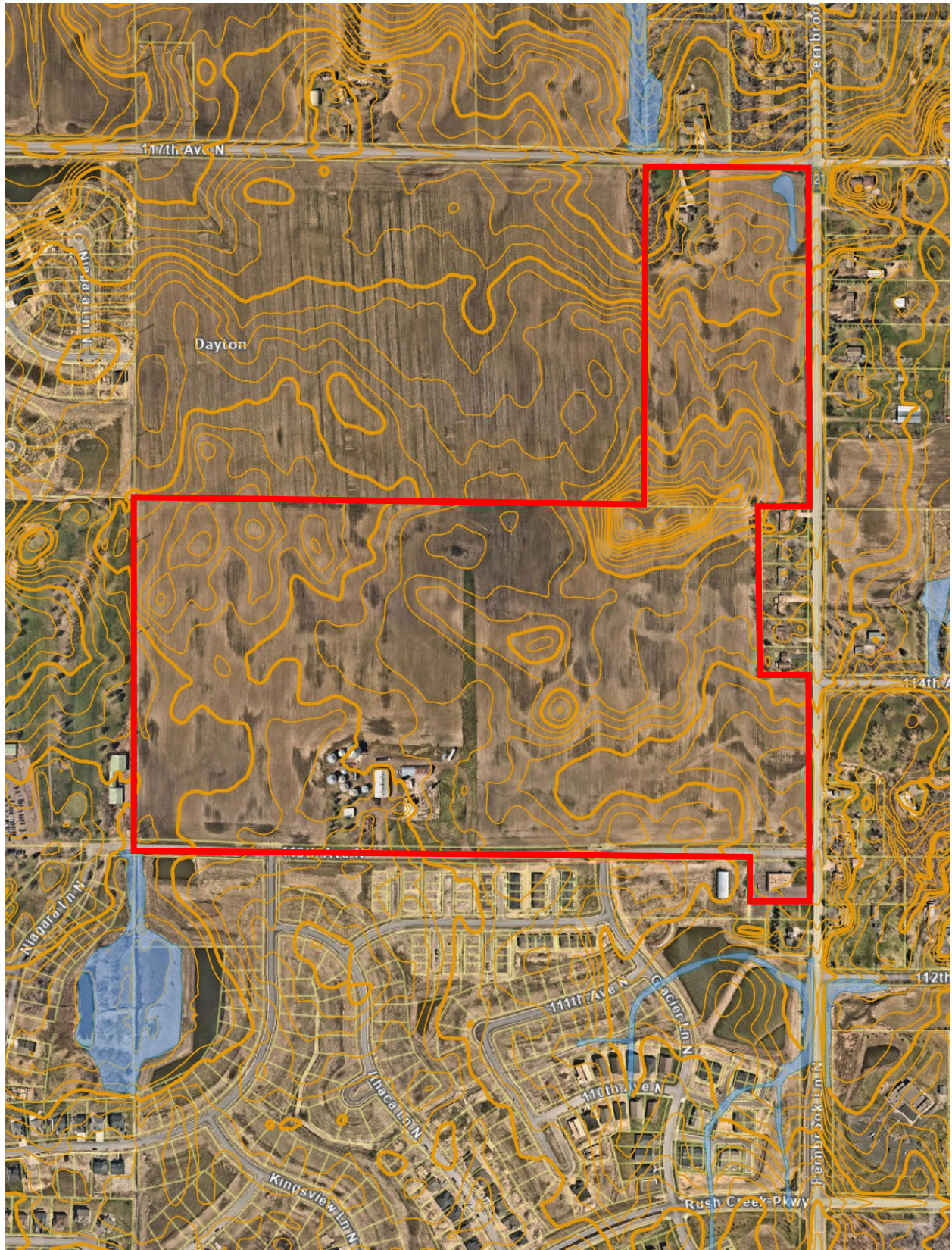
STAFF RECOMMENDATION:

1. Extend landscape center median along 114th Ave for the length of the commercial/retail area (similar to Rush Creek Parkway). Include monument sign more representative of DCM "Farms" vs. typical residential sign.
2. Provide public plaza in commercial/retail area with seating.
3. Provide alley west of six homes along Fernbrook. This will allow homeowners to move access off Fernbrook and onto alley.
4. Reconfigure Commercial/Retail area to be more pedestrian oriented, and less suburban strip mall.
5. "Front" homes (or row homes) along 114th Avenue.
6. ROW for potential roundabout at Fernbrook and 117th Avenue.

ATTACHMENT(S):

Aerial Photo
Engineering Review
Concept Plan
Elevations

AERIAL PHOTO



To: Jon Sevald, City of Dayton Planning From: Jason Quisberg, Engineering
Nick Findley, Engineering

Project: DCM Farms Concept Plan Date: August 26th, 2024

Exhibits:

This Memorandum is based on a review of the following documents:

1. DCM Farms Concept Site Plan 7/12/24, by Sathre-Bergquist, Inc., dated 7/12/2024.

General

1. The concept reviewed comprises a total area of 90.99 acres and is located along Fernbrook Lane N and 117th Ave N. The property is uniquely shaped polygon with approximately 600 ft along 117th Avenue North and 1900 ft along Fernbrook.
2. These review comments are essentially very high level; the concept plan provides little detail beyond the street locations and individual lots. Ultimately, a complete plan submittal will be required, providing site plans that include street and roadway details, grading and drainage plans, water and sewer utilities, a preliminary plat, and other detailed plans as required by the City. Existing easements and any planned or proposed easements, including conservation easements should be identified, and, if present, the layout adjusted accordingly. New easements for utilities, stormwater detention, and other improvements will all be needed as well.
3. Consistent with the review process, a comment response letter shall be provided in response to the following comments provided in this Memorandum in which the applicant provides a written response to each item.
4. In addition to engineering related comments per these plans, the proposed plans are subject to additional planning, zoning, land-use, and other applicable codes of the City of Dayton. In accordance with the City's Land Use Plan, the property will need to be rezoned to accommodate the development. Current zoning is A-1 Agricultural, and the City's Comprehensive Plan shows this as a current land use area.
5. It is expected that previous/current plans including the Sundance Greens and Brayburn East developments, site conditions, and other design data will be referenced, particularly with regards to stormwater and drainage. Publicly and privately maintained facilities (streets, utilities, detention ponds, etc.) will need to be identified clearly, including maintenance responsibilities (City, HOA, etc.).
6. Development is currently taking place on adjacent sites, coordination and changes may be required as design/construction continues.
7. The need for an EAW will need to be evaluated and completed as required.
8. Along 117th at the northern most edge of the proposed site there is existing overhead power. The undergrounding of these utilities is to be evaluated and applicable costs discussed.

Layout

9. A 60-foot right of way width for all streets will be required.

10. Right of way along 113th is shown at 60' currently, this may be adequate but additional discussion will be required as the plans continue to develop.
11. Provide additional right of way (50' half) along 117th Ave N to match adjacent development to the west.
12. Intersection improvements at 117th Ave N and Fernbrook Lane N are becoming warranted for this area, it is expected that a proportionate share of costs will be applied to this development. The level of improvements is yet to be determined.
13. Provide additional right of way at the intersection of Fernbrook Lane N and 117th Ave N for intersection improvements being considered.
14. It is anticipated Hennepin County will require additional right of way along North Diamond Lake Road. Previous developments to the south have been required to implement a 65' half ROW.
15. The realignment of 113th Ave N will require coordination with Hennepin County, property owners, and other applicable entities. The new connection to Fernbrook Lane N must be approved via access permit through Hennepin County.
16. Currently trails and other amenities are shown outside of easement. All trails and other public amenities shall be located in an easement when outside of right of way. Discussions for maintenance, snow removal, and other amenity related items will be discussed as the plans develop further.
17. Park area connections to be coordinated with Dayton Public Works and the landscape architect designing the site.
18. As Fernbrook Lane N traffic levels continue to grow it is anticipated that residential connections will be discouraged and eliminated where feasible. Evaluate how the existing homes along Fernbrook Lane N interface with the proposed development as well as what happens to the site if those home redevelop.
19. Roundabout proposed at a 113th will require extensive coordination with Hennepin County, adjacent property owners, and other entities.
20. Align the western most entrance onto 113th with the existing Kingsview Lane entering from the south.
21. The easternmost entrances (commercial area to the south and residential area to the north) are within close proximity of the proposed roundabout on Fernbrook Lane. The spacing from Fernbrook Lane should be maximized with the preferred distance being 660'.

Erosion Control/SWPPP

22. A MPCA/NPDES construction stormwater permit is required for the site. Sediment and erosion control plans shall be consistent with the general criteria set forth by the most recent versions of the Minnesota Stormwater Manual and the NPDES Construction site permit.

Grading

23. Preliminary indications show a limited number of wetlands and/or other environmentally sensitive features on the site. However, this should be verified and addressed as needed, including a wetland delineation report. Should impacts be identified, submittal/approval of a mitigation plan will be required. Wetland buffers are required to be signed per City of Dayton Detail Gen-10.
24. Grading shall allow adequate areas for buffering along Fernbrook Lane N and 117th Ave N. It is anticipated that grading and drainage along Fernbrook Lane N and 117th Ave N will be consistent with adjacent properties to the south and west.
25. For the preliminary plat application, a complete grading plan shall be provided which includes proposed grades, elevations at lot corners, identification, and labeling of all emergency overflow

elevations (EOF's), identification of proposed grades and all drainage swales, and any other topographic information relevant to site design. Maximum driveway slopes shall be no greater than 10% with minimum 2% drainage maintained throughout the development.

26. Final approval by the Elm Creek Watershed Management Commission must be attained before any site grading or activity may commence. A copy of Watershed approval must be provided prior to any grading activity.
27. A final copy of the MPCA/NPDES permit including signatures will also ultimately be required.
28. A City of Dayton Land Disturbance Permit will be required.

Stormwater

29. A complete stormwater management plan shall be included in the preliminary plat application. The Stormwater Management Plan should follow Dayton and MPCA stormwater rules and regulations. The reports should include rate control for the 2-, 5-, 10-, 100-year 24-hour MSE 3 rainfall events. Dayton requires load reduction achieved by abstracting 1.1 inch from net new impervious or no net increase in TP or TSS, whichever is lower. In addition, a complete grading and drainage plan must be provided, showing how the street, lots, and ponding areas are proposed to be graded. Information must also be provided showing all high-water levels, proposed building floor elevations, and other critical features. In addition, a stormwater application with the Elm Creek Watershed will be required. The applicant shall assure that stormwater management devices are provided to meet City of Dayton and Elm Creek Watershed standards.
30. Overall runoff and drainage related to this development will overlap with adjacent properties and previous development phases. The stormwater management plan must show how runoff and detention areas between properties and phases are being routed and accounted for in an overall plan. In other words, the stormwater management plan must address runoff and discharge from both a local (this development) and a regional approach that includes neighboring properties, the neighboring properties to the north and west, Territorial Road, and East French Lake Road.
31. The maintenance of stormwater detention areas will also need to be defined.
32. Maintenance, including irrigation of any common areas shall be discussed. The reuse of water for irrigation purposes is highly encouraged.
33. Any ponds or detention areas shall have a 10' access around pond with appropriate grading for access using maintenance vehicles.
34. A Hydrocad report shall be submitted for complete stormwater review.
35. Please note that the site hydrology or hydraulics should be reflected in the overall SWMP for both this site and adjacent properties.
36. The existing conditions is defined as the land cover prior to the introduction of agricultural land in Dayton. The existing model should incorporate pre-agricultural land values as referenced in the stormwater manual. A CN value of 58 shall be used in HSG B soils and a CN of 32 shall be used in HSG A soils for existing condition analyses 72 for HSG C and 79 for HSG D, off-site existing may be modeled as currently developed.
37. Upon further design, low floors adjacent to ponds/wetlands/other depressions must have 2 foot of freeboard above the modeled 100-yr high water level (HWL). This includes offsite low and depression areas adjacent to this site.
38. The City of Dayton's Local Surface Water Management plans requires that the storm sewer system must be designed to handle a 10-year event.

39. During the design for the development to the north a drain tile line was found near the shared lot lines of lot 8-9 block 9 shown in the property to the north. This is to be removed/abandoned as a part of the development of this property.

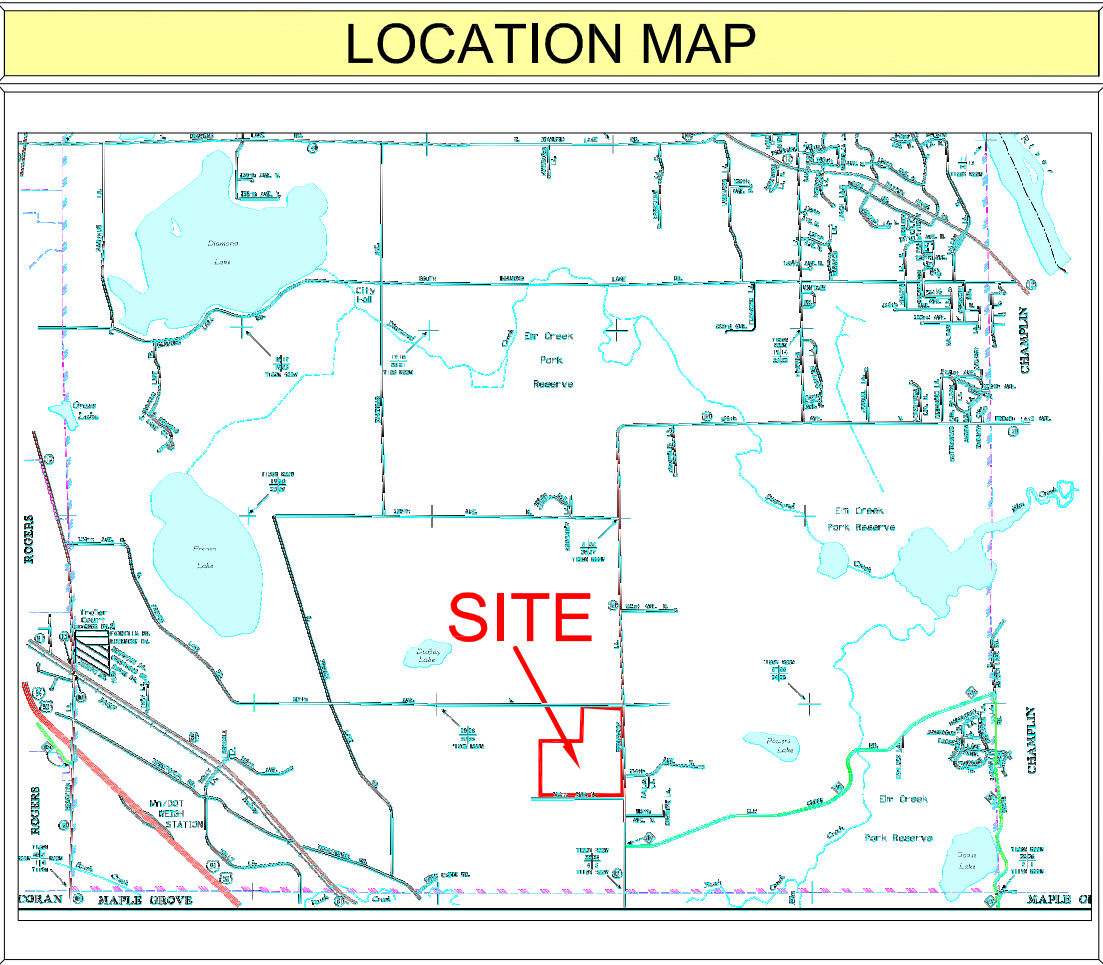
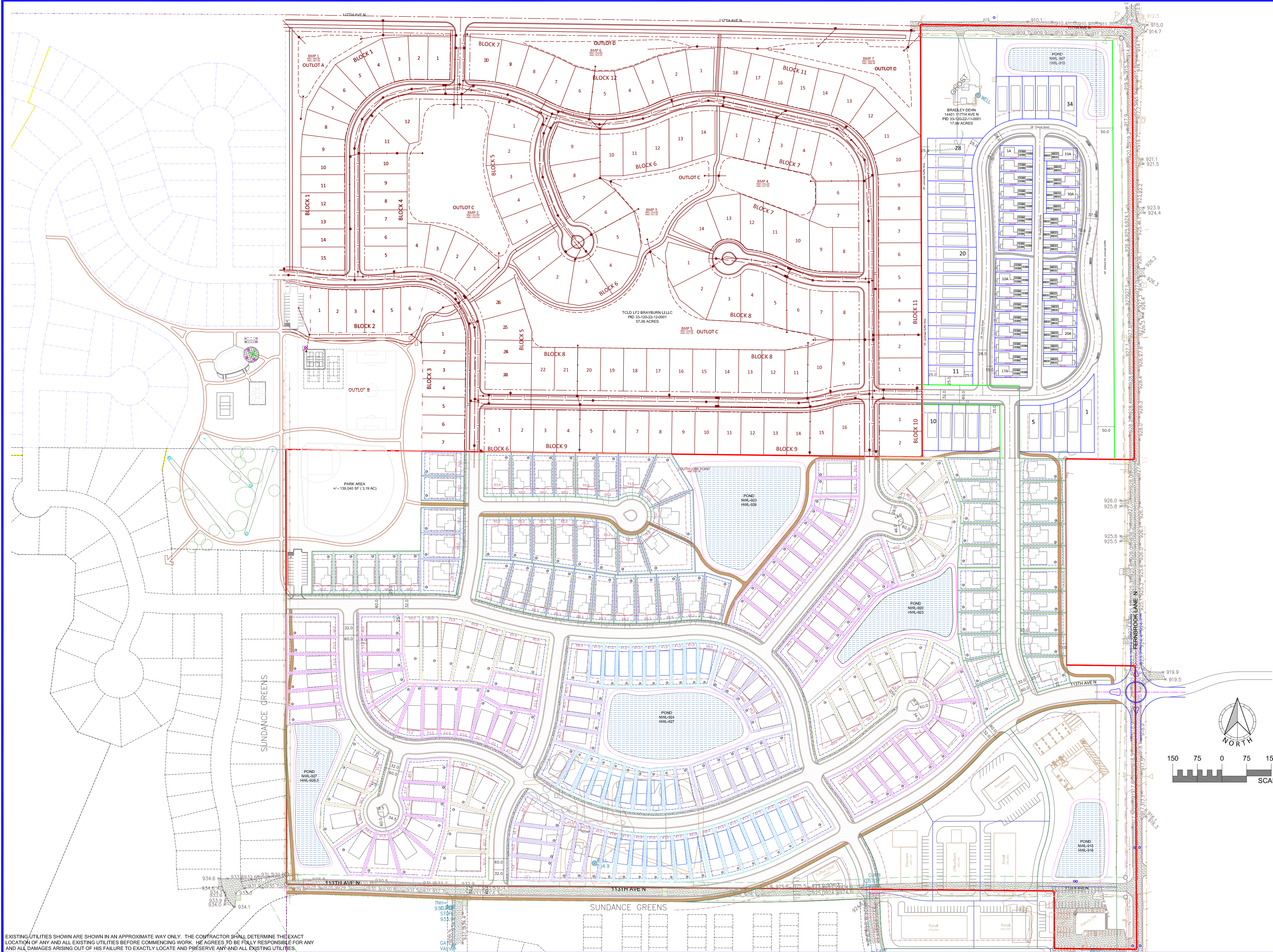
Watermain/Sanitary Sewer

40. Trunk utilities consisting of a 12" watermain and 20" sanitary sewer currently are extended to the intersection of Glacier Lane and 113th Ave N. As a part of the City of Dayton's comprehensive plan these utilities are to continue north through the site to 117th. Credits will be considered with eligible expenses for upsizing for trunk utilities.
41. Overall, the providing of public utilities needs to be reviewed in accordance with the Comprehensive Plan to assure that long term needs and projected growth for both this development and beyond are being met.
42. At this time, it is presumed that all water and sewer infrastructure within the development will be publicly owned. However, this will need to be discussed further as actual site and utility plans are developed further.
43. Any/all existing septic systems and private wells on the property shall be removed and abandoned in accordance with applicable rules and regulations as they are determined to be unnecessary to service the existing homes. Plans shall depict the removal/abandonment of these systems and future connections to utilities.

Transportation

44. Private vs. publicly owned and maintained streets will need to be discussed, including ROW.
45. Upon further development of plans turning movements will be required to show traffic flow through the commercial area.

END OF COMMENTS



DEVELOPMENT DATA	
Proposed Zoning - PUD	
Total Lots - 267	
Street: 60' ROW - 32' B-B CDS - 60' R	
Commercial/Retail Area - +/- 11.2 Acres	
Villa Lots Side yard Setback: 5'/5'	
<div></div>	40' 40' Villa Lots - 31
<div></div>	45' 45' Villa Lots - 26
<div></div>	50' 50' Villa Lots - 55
<div></div>	55' 55' Villa Lots - 29
Single Family Lots Side yard Setback: 7.5'/7.5'	
<div></div>	65' 65' SF Lots - 54
<div></div>	75' 75' SF Lots - 5
Brad Dehn Parcel Perimeter 40' Lots - 34	
Alley Lots - 33	
Setbacks: Front yard Setback: 25' Corner Setback: 25' Rear yard Setback: 25'	

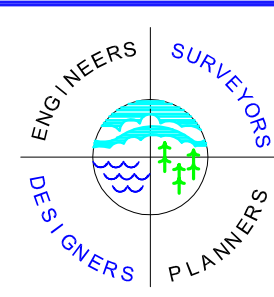
EXISTING UTILITIES SHOWN ARE SHOWN IN AN APPROXIMATE WAY ONLY. THE CONTRACTOR SHALL DETERMINE THE EXACT LOCATION OF ANY AND ALL EXISTING UTILITIES BEFORE COMMENCING WORK. HE AGREES TO BE FULLY RESPONSIBLE FOR ANY AND ALL DAMAGES ARISING OUT OF HIS FAILURE TO EXACTLY LOCATE AND PRESERVE ANY AND ALL EXISTING UTILITIES.

DRAWING NAME	NO.	BY	DATE	REVISION
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DRAWN				
XXX				
CHECKED				
XXX				
DATE				
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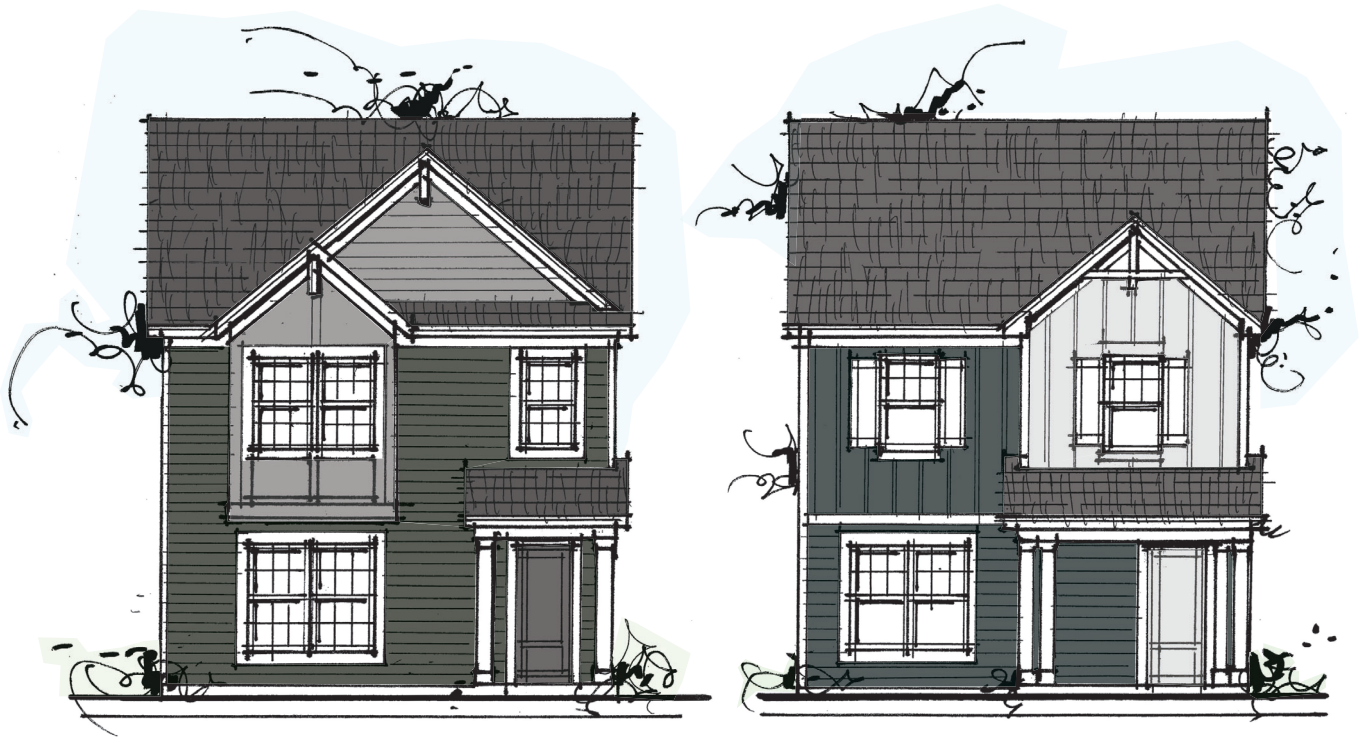
DAYTON,
MINNESOTA

CONCEPT PLAN 7/12/24

DCM FARMS
SUNDANCE WOODS, LLC.

FILE NO.
19214-006

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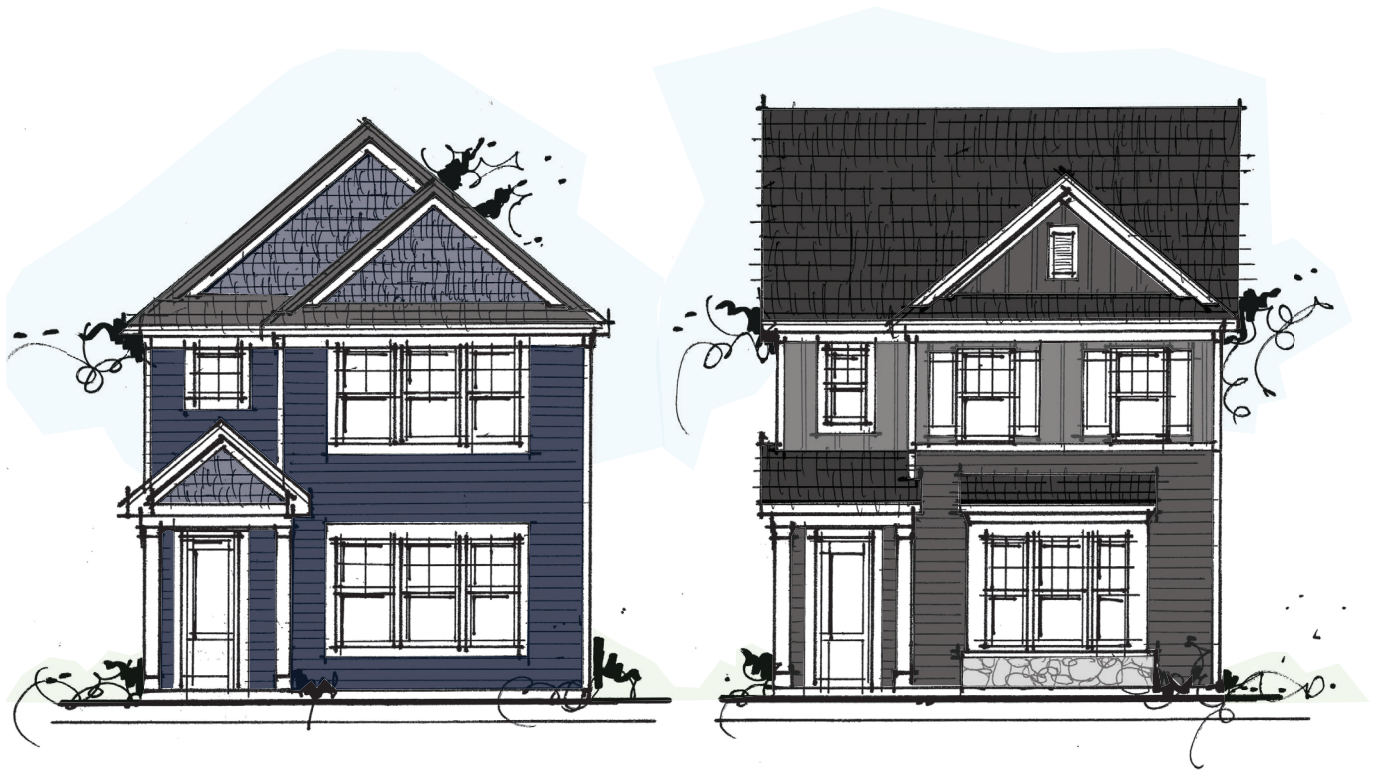
B

Character Elevations

Alley Load SF

M/I Homes Minneapolis





C

D

Character Elevations
Alley Load SF
M/I Homes Minneapolis



ITEM:

Cannabis Zoning Ordinance Implementation Discussion

BACKGROUND/OVERVIEW:

The Minnesota Legislature passed a law in 2023 legalizing adult-use cannabis statewide, giving certain authority to municipalities and counties related to zoning and registration. Cities and counties are tasked with adopting provisions in their respective zoning ordinances regarding time, place and manner for the adult-use cannabis business practices identified in [MN Statute 342](#). The State of Minnesota's Office of Cannabis Management (OCM) has stated they will be prepared to begin issuing business licenses after January 1, 2025. As such, staff has brought this item to the Planning Commission for discussion and feedback regarding the eventual zoning ordinance adoption, with the goal to have the ordinance established by January 1, 2025. Staff has also drafted an ordinance to serve as a benchmark for the discussion and to continue to build on. The following components listed are considerations (to a certain extent as described below) that the City can utilize to implement an ordinance for cannabis businesses.

Land Use & Zoning

Local governments have the authority to adopt a local ordinance regarding cannabis businesses related to time, place, and manner. State statute requires that the City must allow all license types somewhere within its jurisdiction.

Staff Comment: With the attached rough draft of the cannabis zoning ordinance. Staff felt that the correct place to start was to list the allowable areas, and to what capacity (permitted or conditional use) to reflect where similar uses are currently allowed in Dayton. Examples include retail locations for cannabis businesses are allowed where liquor stores and tobacco retail are allowed, cannabis manufacturers would be allowed where manufacturing is currently allowed, etc.

Some considerations for municipalities regarding local ordinances include provisions addressing odor and security. The first draft of the ordinance includes a provision requiring an odor mitigation system for all cannabis licensed businesses to mitigate odor pollution to the surrounding area, but does not mention provision requiring certain security measures as it seems that should be left to the location to find security measures necessary for their operations to succeed.

Adult-Use Areas

The law explicitly authorizes individuals to use adult-use cannabis flower and adult-use cannabis products:

- In a private residence, including the individual's curtilage or yard.
- On private property, not generally accessible by the public, unless the owner of the property prohibits the use of the products.
- On the premises of an establishment or event licensed to permit onsite consumption.
- Cannot use where smoking is prohibited under the Minnesota Clean Air Act.

Staff Comment: Public places, such as parks and rights-of-way, are left to the discretion of the City. The City Council recently adopted an ordinance addressing the use of cannabis in public places.

Buffer Options

City's are allowed by statute to establish the following buffer requirements, but cannot exceed the distances noted below, established by statute.

- 1,000 feet of a school
- 500 feet of a day care facility
- 500 feet of a residential treatment facility
- 500 feet of a public park attraction regularly used by minors. Examples include playgrounds and ballfields.

Staff Comment: Currently, the only buffer requirements Dayton enforces is the location of liquor licenses within 100 feet of a school and church. The State law does not give local authority to buffer these businesses from religious institutions. As such, the buffer requirement from school property is reflected in the first draft cannabis ordinance attached. Staff welcomes further insight from the Planning Commission and City Council regarding the extent of buffer requirements implemented in Dayton.

Hours of Operation

MN Statue does not allow for cannabis retail businesses to conduct operations between the time of 2:00 a.m. to 8 a.m. Monday through Saturday, and 2:00 a.m. to 10:00 a.m. on Sundays. City's do have the opportunity to further limit this to no more stringent than 10:00 a.m. and 9:00 p.m. seven days a week.

Staff Comment: The current ordinance does not address this, as it only refers to cannabis retail licensed businesses. As such, if the City Council is interested in adopting an ordinance to further limit the hours of operation, they would do so through the City Code amendment regulating local registration of these retail locations.

Retail Registration Authority

- Allowable limits to registering retail locations (Cannabis Retail, Mezzobusinesses, Microbusinesses) except lower-potency hemp edible retailers.
 - The rule by statute is a minimum 1 location to be allowed per 12,500 must be permitted.
 - In Dayton's case, the strictest limitation would be only allowing 1 location for retail within the City limits not including lower-potency hemp edible retailers.
 - If a county has one cannabis retailer registration per 12,500 residents, a city located within the county is not obligated to register a cannabis retailer.

Staff Comment: Being that this provision allowance is specific to registered retail locations, this item will likely be included in the City Code amendment regarding the local registration process, and not the zoning ordinance.

ROLE OF THE PLANNING COMMISSION

Staff is looking for general direction on the draft ordinance from the Planning Commission to incorporate any additional considerations before holding a public hearing on the amendment. The goal as noted above is to have an ordinance related to cannabis businesses (and registration) established in the City Code and Zoning Ordinance prior to January 1, 2025.

PLANNING COMMISSION MEETING

ATTACHMENTS

Table of Uses – Cannabis-licensed Businesses

Draft Ordinance

Minnesota Office of Cannabis Management Local Government Guide

League of Minnesota Cities – Adult-Use Cannabis: What Cities Need to Know

Dayton Zoning Map

Cannabis Uses by District																												
Use Types “P” = Permitted “C” = Conditionally Permitted “I” Interim Permitted “A” Accessory Permitted	Zoning Districts																										Additional Requirements (Section References)	
	A-1	A-2	S-A	R-1	R-1A	R-2	R-3	R-E	R-M	R-H	R-MH	R-O	GMU-1	GMU-2	GMU-3	GMU-4	GMU-5	V-M	P-R	B-1	B-2	B-3	B-4	I-1	I-2	B-P		
Cannabis Cultivator																	P								P	P		Indoor Only Includes Medical
Cannabis Delivery Service																	P							P	P			Acc. Use to Microbusiness, Mezzobusiness, Retail, Wholesaling and Medical Cannabis Combination Business
Cannabis Event Organizer																												Large Assembly Permit Required
Cannabis Manufacturer																	P							C	P	P		
Cannabis Mezzobusiness																	C							C	C		C	Indoor Cultivation Only
Cannabis Microbusiness																	C							C	C		C	Indoor Cultivation Only
Cannabis Retailer													P	P	P	C		C				C	C					Includes Medical Retail
Cannabis Testing Facility																								P	P		P	
Cannabis Transporter																								P	P		P	Acc. Use to Cultivation, Manufacturing, Microbusinesses, Mezzobusinesses, Wholsaling, Processing, and Testing
Cannabis Wholesaler																								C	P		P	
Lower-potency Hemp Edible Manufacturer																	P							C	P	P	A*	*Accessory Use to Brewpubs, Breweries, and Microdistilleries
Lower-Potency Hemp Edible Retailer													P	P	P	C / A*		C / A*				C / A*	C / A*					*Accessory to locations with active liquor or tobacco license

Cannabis Uses by District																												
Use Types “P” = Permitted “C” = Conditionally Permitted “I” Interim Permitted “A” Accessory Permitted	Zoning Districts																											Addition Requirements (Section Reference)
	A-1	A-2	S-A	R-1	R-1A	R-2	R-3	R-E	R-M	R-H	R-MH	R-O	GM U-1	GM U-2	GM U-3	GM U-4	GM U-5	V-M	P-R	B-1	B-2	B-3	B-4	I-1	I-2	B-P		
Medical Cannabis Combination Business																	C							C	C		C	
Medical Cannabis Processor																	P								P	P		

Section 1. AMENDMENT. Dayton City Code 1001.XX is hereby amended by adding the underlined material as follows:

1001.XX Cannabis Businesses

Subd. 1 Purpose and Intent. The purpose of this section is to preserve and protect the public health, safety, welfare, neighborhood character, and minimize negative community impacts by enacting effective regulatory and enforcement controls through minimum land use requirements for State licensed cannabis businesses within the City of Dayton.

Subd. 2 Minimum Buffer Requirements

- (1) The City of Dayton shall prohibit the operation of a cannabis business within 100 feet of a school measured from nearest property boundaries.
- (2) Pursuant to Minn. Stat. 462.367 subd. 14, nothing in Section 1001.37 Subd. 1 shall prohibit an active cannabis business or a cannabis business seeking registration from continuing operation at the same site if a school moves within the minimum buffer zone.

Subd. 3 Zoning and Land Use

(1) All Cannabis-related Uses shall adhere to the following standards:

- a. All cannabis licensed businesses and properties within the City of Dayton shall adhere to the guidelines established by Minn. Stat. 342 and the standards within this section.
- b. The facility shall display its state issued license on the interior of the facility, visible to the public, at all times.
- c. At the facility, any and all cultivation, processing, storage, display, sales or other distribution of cannabis shall occur within an enclosed building and shall not be visible from the exterior of the building.
- d. Outdoor cannabis cultivation for cannabis-licensed businesses is prohibited.
- e. All cannabis licensed facilities shall have an odor mitigation system installed to eliminate or lessen any odor pollution created at the facility.

- f. No person or facility shall dispose of cannabis or cannabis-containing products in an unsecured waste receptacle not in possession and control of the licensee and designed to prohibit unauthorized access.
- g. Outdoor storage is prohibited for all uses herein.
- h. No cannabis or paraphernalia shall be displayed or kept at the facility so as to be visible from outside the premises.
- i. No cannabis business shall be allowed within any agricultural or residential zoning districts.
- j. Home Occupations and Home-Extended Businesses for cannabis-licensed operations are prohibited.

(2) Cannabis Cultivation. Cannabis businesses licensed or endorsed for cultivation (medical or recreational) are allowed as a permitted principal use in the following zoning districts:

- a. GMU-5
- b. I-1
- c. I-2

(3) Cannabis Delivery Service.

- a. Cannabis businesses licensed for delivery service are allowed as a permitted principal use in the following zoning districts:
 - 1. GMU-5
 - 2. B-4
 - 3. I-1
- b. Cannabis businesses licensed for microbusiness, mezzobusiness, retail, wholesaling, or medical cannabis combination business can obtain a license or endorsement for delivery service as an accessory use at that same location.

(4) Cannabis Manufacturer.

- a. Cannabis businesses licensed or endorsed for cannabis manufacturing (recreational or medical) are allowed as a permitted principal use in the

following zoning districts subject to manufacturing-specific standards established in the Zoning Ordinance:

1. GMU-5
2. I-1
3. I-2

- b. Cannabis businesses licensed or endorsed for cannabis manufacturing (recreational or medical) are allowed as a conditional principal use in the following zoning districts subject to manufacturing-specific standards established in the Zoning Ordinance:

1. B-4

- (5) Cannabis Mezzobusiness. Cannabis businesses licensed or endorsed for cultivation are allowed as a conditional principal use in the following districts.

- a. GMU-5
- b. B-4
- c. I-1
- d. B-P

- (6) Cannabis Microbusiness. Cannabis businesses licensed or endorsed for cultivation are allowed as a conditional principal use in the following districts.

- a. GMU-5
- b. B-4
- c. I-1
- d. B-P

- (7) Cannabis Retail.

- a. Cannabis businesses licensed or endorsed for cannabis retail (recreational or medical) are allowed as a permitted principal use in the following districts:

1. GMU-1
2. GMU-2
3. GMU-3

- b. Cannabis businesses licensed or endorsed for cannabis retail are allowed as a conditional principal use in the following districts:

1. B-2
2. B-3
3. GMU-4
4. V-M

(8) Cannabis Testing Facility. Cannabis Businesses licensed or endorsed for cannabis testing facility are allowed as a permitted principal use in the following districts:

1. B-4
2. I-1
3. B-P

(9) Cannabis Transportation.

a. Cannabis businesses licensed or endorsed for transportation are permitted as a principal use in the following zoning districts:

1. B-4
2. I-1
3. B-P

b. Cannabis businesses licensed for cultivation, manufacturing, microbusiness, mezzobusiness, wholesaling, processing or testing can obtain a license or endorsement for transportation as an accessory use.

(10) Cannabis Wholesale.

a. Cannabis businesses licensed or endorsed for wholesaling are allowed as a permitted principal use in the following districts, subject to specific standards for wholesale uses established in the Zoning Ordinance:

1. I-1
2. B-P

b. Cannabis businesses licensed or endorsed for wholesaling are allowed as a conditional principal use in the following districts, subject to specific standards for wholesale uses established in the Zoning Ordinance:

1. B-4

(11) Lower-potency Hemp Edible Manufacturer.

- a. Hemp businesses licensed or endorsed for lower-potency hemp edible manufacturer are allowed as a permitted principal use in the following zoning districts subject to manufacturing-specific standards established in the Zoning Ordinance:
 1. GMU-5
 2. I-1
 3. I-2
- b. Cannabis businesses licensed or endorsed for lower-potency hemp edible manufacturer (recreational or medical) are allowed as a conditional principal use in the following zoning districts:
 1. B-4
- c. Brewpubs, Breweries and Microdistilleries can obtain a lower-potency hemp edible manufacturer license as an accessory use.

(12) Lower-potency Hemp Edible Retailer.

- a. Lower-potency hemp edible retail businesses as a principal use are permitted in the following districts:
 1. GMU-1
 2. GMU-2
 3. GMU-3
- b. Lower-potency hemp edible retail businesses as a principal use are allowed conditionally in the following districts:
 1. GMU-4
 2. V-M
 3. B-2
 4. B-3
- c. Businesses where tobacco and liquor licenses are held are allowed to hold a lower-potency hemp edible retailer license as an accessory use and as regulated by Minn. Stat. 342.

(13) Medical Cannabis Combination Business. Cannabis businesses licensed or

endorsed for medical cannabis combination business are allowed as a conditional principal use in the following districts.

- a. GMU-5
- b. B-4
- c. I-1
- d. B-P

(14) Medical Cannabis Processor. Cannabis businesses licensed or endorsed for medical cannabis processor are allowed as a permitted principal use in the following zoning districts:

- a. GMU-5
- b. I-1
- c. I-2

(15) Temporary Cannabis Events. Temporary Cannabis Events shall be reviewed individually in accordance with the City of Dayton's large assembly permit process, regardless of anticipated number of participants.

- a. Temporary Cannabis Events in commercial and industrial districts shall be administratively reviewed.
- b. Temporary Cannabis Events proposed at public parks within the City of Dayton shall be reviewed and approved by the City Council.

Subd. 4 Local Government as a Cannabis Retailer

- (1) The City of Dayton may establish, own, and operate one municipal cannabis retail business subject to the restrictions in this chapter.
- (2) The municipal cannabis retail store shall not be included in any limitation of the number of registered cannabis retail businesses.
- (3) The City of Dayton shall be subject to all of the same rental license requirements and procedures applicable to all other applicants.



A Guide for Local Governments on Adult-Use Cannabis



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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)

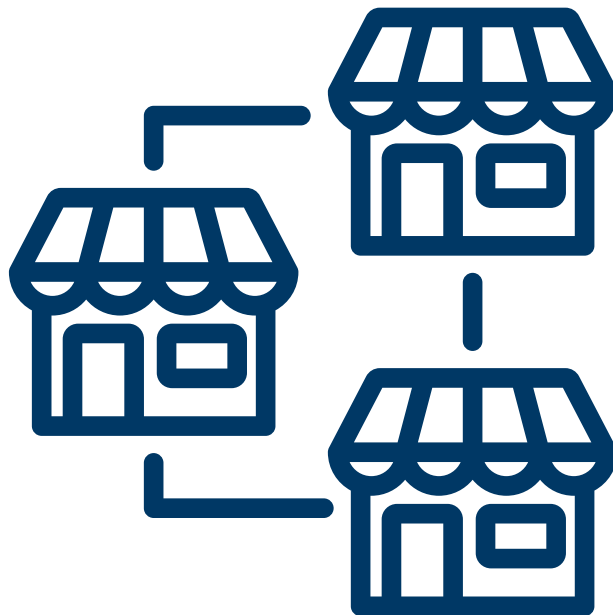
Local governments may prohibit retail sales of cannabis between the hours of 8 a.m. and 10 a.m. Monday-Saturday, and 9 p.m. and 2 a.m. the following day.

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

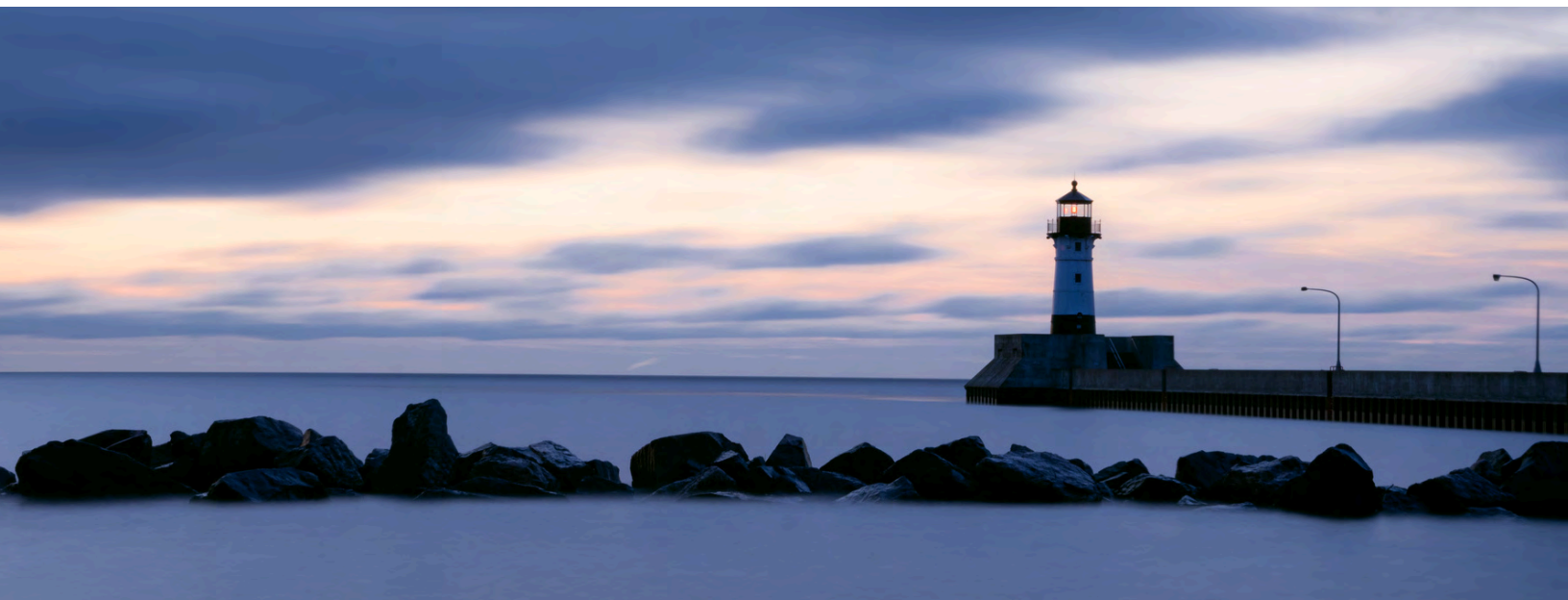
As authorized in Chapter 342.32, local governments are permitted to apply for a cannabis retail license to establish and operate a municipal cannabis store.

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)
Section 4	Temporary Cannabis Events
Section 5	Lower Potency Hemp Edibles
Section 6	Local Government as a Retailer
Section 7	Use of Cannabis in Public

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:

- 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

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: $\text{Total THC} = (0.877 \times \text{THC-A}) + \text{d-9 THC}$</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.

Adult-Use Cannabis: What Cities Need to Know

Published: June 12, 2023

Updated July 29, 2024

A new law enacted at the end of the 2023 legislative session and amended during the 2024 legislative session legalized adult-use cannabis in Minnesota and established a regulatory framework over the cannabis industry. Since the enactment of the law, the League of Minnesota Cities has been researching and collecting information from state agencies and stakeholders to answer questions pertaining to local regulatory authority, law enforcement, taxing, and employment.

[Read the full law](#)

The following frequently asked questions (FAQs) aim to provide information to cities about the new law to assist local governments in making decisions related to the law. The League will continually update this information as necessary.

Get answers to FAQs regarding the new law on adult-use cannabis

General information

[Q1. What does the new law do?](#)

[Q2. How much cannabis can a person legally possess?](#)

[Q3. Are cannabis products legal under federal regulations?](#)

[Q4. Can a person grow their own cannabis?](#)

[Q5. Does the Clean Indoor Air Act apply to cannabis products?](#)

[Q6. What types of licenses will the OCM issue?](#)

[Q7. Can cannabis start to be sold now?](#)

[Q8. Under the new law, where can adult-use cannabis be sold?](#)

[Q9. Could my city's municipal liquor store sell adult-use cannabis?](#)

[Q10. Can my city have a municipal cannabis retail store?](#)

[Q11. Can a retailer sell cannabis seeds for home growth of cannabis?](#) *(added Aug. 1, 2023)*

Taxation and revenue

Q12. How will these new products be taxed?

Q13. Can our city impose its own cannabis tax?

Q14. Do sales taxes apply?

Q15. Who receives taxes collected from the sale of cannabis products?

Q16. What is considered a “taxable cannabis product retailer?”

Q17. How much revenue will cities receive from the local government cannabis aid fund?

Q18. When will cities receive revenue from the local government cannabis aid account?

Enforcement and public safety

Q19. How is the new law enforced?

Q20. What are penalties for someone selling edible cannabis products that do not meet the state’s requirements?

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Q26. Is it a crime to use cannabis products while operating a motor vehicle?

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Q28. Could cities prohibit the sale of adult-use cannabis entirely?

Q29. Is our city required to adopt regulations under the new law?

Q30. Are prior convictions for cannabis use expunged and what is the city’s role in that process?

Q31: Can a city prohibit the use of cannabis in public places? (added Aug. 1, 2023)

Q32: Can our city ban the smoking of cannabis in public places? (added Aug. 1, 2023)

City regulation

Q33. Can the city require sellers to have a city-issued license?

Q34. When is our city required to issue retail registration to a cannabis retail business?

Q35. Can a retail registration issued by our city be transferred?

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City employment and personnel issues

- Q49. Does the new law allowing adult-use cannabis change anything about how we do drug testing for CDL holders?
- Q50. Does the new law change anything related to employees who carry a firearm?
- Q51. Besides positions requiring a CDL or carrying a firearm, are there any other positions which are not affected by the new law?
- Q52. Can we still prohibit employees from being under the influence of cannabis while at work? Does the League have a model policy with updated language?
- Q53. If an employee is injured while being under the influence of cannabis at work, are they still entitled to workers' compensation benefits?
- Q54. Can employees be in possession of edibles or other cannabis products while at work?
- Q55. Do we need to change anything in our collective bargaining agreement (CBA) regarding discipline of employees who use cannabis products?
- Q56. Can employees use cannabis products off-duty?
- Q57. How does this impact the requirements of the Drug-Free Workplace Act?
- Q58. Should my city continue to include cannabis as a pre-employment panel screen for my non-DOT/safety-sensitive employees?
-

Edible cannabinoid products

Q59. What is an edible cannabinoid product? (added Aug. 1, 2023)

Q60. What are the labeling requirements for edible cannabinoid products? (added Aug. 1, 2023)

Q61. What are the restrictions on edible cannabinoid products? (added Aug. 1, 2023)

Q62. Can edible cannabinoid products be sold for on-site consumption? (added Aug. 1, 2023)

Q63. Can an exclusive liquor store sell edible cannabinoid products? (added Aug. 1, 2023)

Q64. Do retailers that sell edible cannabinoid products need to register with the state? (added Aug. 1, 2023)

Q65. Who should I contact if a retailer is selling noncompliant products in my city? (added Aug. 1, 2023)

Q66. Will LMCIT coverage apply to sales of low-potency edible products sold at a municipal liquor store? (added July 29, 2024)

Q67. Where can I find more information on edible cannabinoid products? (added Aug. 1, 2023)

General information

Q1. What does the new law do?

A1. The new law legalizes the possession, use, manufacturing, and sale of certain cannabis products within the state. It establishes the Office of Cannabis Management (OCM), which is charged with, among other things, enforcing an organized system of regulation for the cannabis industry and the hemp consumer industry. The law also:

- Establishes labor standards for the use of cannabis and hemp products by employees and testing of employees.
- Establishes expungement procedures for certain individuals previously convicted of a crime related to cannabis.

Possession, use, and home growth under this new law will be legal beginning Aug. 1, 2023, and legal sales are expected to begin in January of 2025. Various other effective dates are noted throughout these FAQs as they apply.

[Access the Office of Cannabis Management's website](#)

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Q2. How much cannabis can a person legally possess?

A2. This law allows a person of 21 years of age or older to:

- Use, possess, or transport cannabis paraphernalia.
- Possess 2 ounces or less of cannabis flower in a public place.
- Possess 2 pounds or less of cannabis flower in a person's residence.
- Possess or transport 8 grams or less of adult-use cannabis concentrate.
- Possess or transport edible products infused with a total of 800 milligrams or less of tetrahydrocannabinol.

- Give away cannabis flower and products in an amount that is legal for a person to possess in public.

The law authorizes an individual to use adult-use cannabis flower and adult-use cannabis products:

- In a private residence including the individual's curtilage or yard.
- On private property, unless the owner of the property prohibits the use of the products.
- On the premises of an establishment or event licensed to permit on-site consumption.

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Q3. Are cannabis products legal under federal regulations?

A3. Marijuana remains a Schedule I drug under federal law, meaning it is illegal, with limited exceptions, to grow, process, sell or possess marijuana from a federal standpoint.

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Q4. Can a person grow their own cannabis?

A4. The law authorizes a person to cultivate up to eight cannabis plants, of which four or fewer may be mature, flowering plants provided that it is in an enclosed, locked space that is not open to public view.

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Q5. Does the Clean Indoor Air Act apply to cannabis products?

A5. A person may not use cannabis flower, cannabis products, or hemp-derived consumer products in a manner that involves the inhalation of smokes, aerosol, or vapor at any location where smoking is prohibited under the Clean Indoor Air Act.

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Q6. What types of licenses will the OCM issue?

A6. The OCM will issue the following types of licenses:

- Cannabis microbusiness.
- Cannabis mezzobusiness.
- Cannabis cultivator.
- Cannabis manufacturer.
- Cannabis retailer.
- Cannabis wholesaler.
- Cannabis transporter.
- Cannabis testing facility.
- Cannabis event organizer.
- Cannabis delivery service.
- Lower-potency hemp edible manufacturer.

- Lower-potency hemp edible retailer.
- Medical cannabis combination business.

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Q7. Can cannabis start to be sold now?

A7. Cannabis will not be able to be sold until the Office of Cannabis Management is established and able to issue licenses. Communication from state agencies indicate an intended timeline of January 2025 for when sales will be live to the public. Before beginning sales, a cannabis retailer must obtain a local retail registration. Any business attempting to sell cannabis products before licenses are issued should be reported to the Department of Health.

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Q8. Under the new law, where can adult-use cannabis be sold?

A8. Cannabis products and hemp derived consumer products may only be sold in business with a license issued by the OCM.

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Q9. Could my city's municipal liquor store sell adult-use cannabis?

A9. The law adds edible cannabinoid products as an item allowed to be sold at exclusive liquor stores, including municipal liquor stores.

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Q10. Can my city have a municipal cannabis retail store?

A10. The new law authorizes cities to operate a municipal cannabis retail store. This is a unique opportunity for Minnesota cities and more research is needed to determine the legal ramifications of such an operation.

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Q11. Can a retailer sell cannabis seeds for home growth of cannabis?

A11. A retailer or a seed labeler may begin selling cannabis seed starting Aug. 1, 2023. Seeds must meet the state requirements for seed labeling. [More information on cannabis seeds can be found from the Minnesota Department of Agriculture \(pdf\).](#)

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Taxation and revenue

Q12. How will these new products be taxed?

A12. A tax equal to 10% of gross receipts from retail sales of taxable cannabis products will be imposed on any taxable cannabis product retailer that sells cannabis products to customers.

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Q13. Can our city impose its own cannabis tax?

A13. Cities are prohibited from imposing a tax solely on the sale of taxable cannabis products.

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Q14. Do sales taxes apply?

A14. The state sales tax and local sales taxes apply to cannabis and hemp-derived cannabinoid products.

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Q15. Who receives taxes collected from the sale of cannabis products?

A15. Revenues from the retail sales of cannabis products will be divided, with 80% going to the general fund and 20% to the local government cannabis aid account. Cities will receive 50% of the amount certified to the local government cannabis aid account.

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Q16. What is considered a “taxable cannabis product retailer?”

A16. A taxable cannabis product retailer is a retailer that sells any taxable cannabis products. This includes a cannabis retailer, cannabis microbusiness, cannabis mezzobusiness, and lower-potency hemp edible retailer. Minn. Stat § 295.81, subd. 1(s).

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Q17. How much revenue will cities receive from the local government cannabis aid fund?

A17. Half of the amount certified in the cannabis local government aid fund will go to cities. Cities will receive a distribution proportional to the number of cannabis businesses located in the city as compared to the number of cannabis businesses in all cities.

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Q18. When will cities receive revenue from the local government cannabis aid account?

A18. The gross receipts tax goes is effective for gross receipts received after June 30, 2023. The law requires the Department of Revenue to certify the amount to be paid to each city by Sept. 1, 2024, and every year after, and the full amount must be paid on Dec. 26, 2024, and every year after.

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Enforcement and public safety

Q19. How is the new law enforced?

A19. All licensing issues will be enforced by the Office of Cannabis Management. Local law enforcement may still enforce illegal possession or use crimes where applicable.

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Q20. What are penalties for someone selling edible cannabis products that do not meet the state's requirements?

A20. If a retailer is found to be selling edible cannabis products that do not meet state requirements, the Office of Cannabis Management may embargo the products and potentially destroy the products with the retailer paying for all court costs and fees, storage, and other proper expenses.

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Q21. Can a person still be charged with possession of cannabis products?

A21. Beginning Aug. 1, 2023, the following actions are considered cannabis possession crimes:

- *Possession of cannabis in the first degree.* (Punishable by imprisonment for not more than five years or payment of a fine of not more than \$10,000, or both).
 - More than 2 pounds but not more than 10 kilograms of cannabis flower.
 - More than 160 grams but not more than 2 kilograms of cannabis concentrate.
 - Edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 16 grams but not more than 200 grams of THC.
- *Possession of cannabis in the second degree.* (Punishable by imprisonment for not more than one year or payment of a fine of not more than \$3,000, or both).
 - More than 1 pound but not more than 2 pounds of cannabis flower in any place other than the person's residence.
 - More than 80 grams but not more than 160 grams of cannabis concentrate.
 - Edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 8 grams but not more than 16 grams of THC.
- *Possession of cannabis in the third degree.* (Punishable by imprisonment for not more than 90 days or payment of a fine of not more than \$1,000, or both).
 - More than 4 ounces but not more than 1 pound of cannabis flower in any place other than the person's residence.
 - More than 16 grams but not more than 80 grams of cannabis concentrate.
 - Edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 1,600 milligrams but not more than 8 grams of THC.
- *Possession of cannabis in the fourth degree.* (Punishable as a petty misdemeanor).
 - More than 2 ounces but not more than 4 ounces of cannabis flower in any place other than the person's residence.
 - More than 8 grams but not more than 16 grams of cannabis concentrate.
 - Edible cannabinoid products infused with more than 800 milligrams but not more than 1,600 milligrams of THC.

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Q22. Can a person still be charged with sale of cannabis products?

A22. Beginning Aug. 1, 2023, the following actions are considered cannabis sale crimes:

- *Sale of cannabis in the first degree.* Punishable by imprisonment for not more than five years or to a payment of a fine of not more than \$10,000 or both if a person unlawfully sells more than 2 ounces of cannabis flower; more than 8 grams of cannabis concentrate; or edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 800 milligrams of THC:
 - To a minor and the defendant is more than 36 months older than the minor.
 - Within 10 years of two or more convictions of sale in the second or third degree.
 - Within 10 years of a conviction of first degree
- *Sale of cannabis in the second degree.* May be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both if an adult:
 - Unlawfully sells more than 2 ounces of cannabis flower; more than 8 grams of cannabis concentrate; or edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 800 milligrams of THC:
 - In a school zone, a park zone, or a drug treatment facility; or
 - Within 10 years of a conviction of sale of cannabis in the first, second, or third degree.
 - Unlawfully sells cannabis flower, cannabis concentrate, edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a minor.
- *Sale of cannabis in the third degree.* An adult may be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than \$1,000, or both, if the adult unlawfully sells:
 - More than 2 ounces of cannabis flower.
 - More than 8 grams of cannabis concentrate.
 - Edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 800 milligrams of THC.
- *Sale of cannabis in the fourth degree.* An adult is guilty of a petty misdemeanor if they unlawfully sell:
 - Not more than 2 ounces of cannabis flower.
 - Not more than 8 grams of cannabis concentrate.
 - Edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with not more than 800 milligrams of THC.

A sale for no remuneration by an individual over the age of 21 to another individual over the age of 21 is not unlawful as cannabis sale in the fourth degree.
- *Sale of cannabis by a minor.* A minor is guilty of a petty misdemeanor if the minor unlawfully sells:
 - Not more than 2 ounces of cannabis flower.
 - Not more than 8 grams of cannabis concentrate.

- Edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with not more than 800 milligrams of THC.

A minor is guilty of a misdemeanor if the minor unlawfully sells:

- More than 2 ounces of cannabis flower.
- More than 8 grams of cannabis concentrate.
- Edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 800 milligrams of THC.

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Q23. Can a person be charged with a crime for cultivating cannabis?

A23. Beginning Aug. 1, 2023, the following are crimes related to the cultivation of cannabis.

- *Cultivation of cannabis in the first degree.* A person is guilty of cultivation of cannabis in the first degree and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the person unlawfully cultivates more than 23 cannabis plants.
- *Cultivation of cannabis in the second degree.* A person is guilty of cultivation of cannabis in the second degree and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the person unlawfully cultivates more than 16 cannabis plants but not more than 23 cannabis plants.

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Q24. Can a person be charged with a crime for using cannabis in public?

A24. Beginning Aug. 1, 2023, a city may adopt an ordinance establishing a petty misdemeanor offense for a person who unlawfully uses cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a public place other than the following.

- A private residence including the person's curtilage or yard.
- Private property not generally accessible by the public, unless the person is explicitly prohibited from consuming cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products on the property by the owner of the property.
- The premises of an establishment or event licensed to permit on-site consumption.

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Q25. How do our officers determine if a driver is under the influence of adult-use cannabis?

A25. Officers will need to use the same process for determining if a person is under the influence of cannabis while operating a vehicle as they would have prior to the new law being enacted.

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Q26. Is it a crime to use cannabis products while operating a motor vehicle?

A26. It is a misdemeanor for a person to use cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, or any other product containing an artificially derived cannabinoid in a motor vehicle when the vehicle is on a street or highway.

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Q27. Is it a crime to possess cannabis products in a motor vehicle?

A27. Beginning Aug. 1, 2023, a person may be charged with a misdemeanor if they possess cannabis products in a motor vehicle on a street or highway if the products meet any of the following conditions:

- Do not meet the packaging requirements set in statute.
- Have been removed from the packaging in which they were sold.
- Are in packaging that has been opened, or the seal has been broken.
- Are in packaging in which the contents have been partially removed.

It is not considered a crime if the cannabis products are in the trunk of the vehicle or in another area of the vehicle not normally occupied by the driver and passengers if the vehicle is not equipped with a trunk. A utility compartment or glove compartment is deemed to be within the area occupied by the driver and passengers.

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Q28. Can cities prohibit the sale of adult-use cannabis entirely?

A28. Cities may not prohibit the possession, transportation, or use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products authorized by the new law.

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Q29. Is our city required to adopt regulations under the new law?

A29. Cities are not required to adopt any new regulations under the new law. However, they will be required to register retail sellers and perform compliance checks.

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Q30. Are prior convictions for cannabis use expunged and what is the city's role in that process?

A30. Certain cannabis-related convictions will be expunged by the Bureau of Criminal Apprehension. Upon receipt of a notice of expungement, cities are required to seal all records related to the expungement, including the records of the person's arrest, indictment, trial verdict, and dismissal or discharge of the case.

Certain felony convictions will be reviewed by the Cannabis Expungement Board to determine what, if any, action should be taken related to a prior conviction. Cities will be required to provide the Cannabis Expungement Board free access to records held by law enforcement agencies or prosecuting authorities.

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Q31. Can a city prohibit the use of cannabis in public places?

A31. A city may adopt an ordinance establishing a petty misdemeanor offense for a person who unlawfully uses cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a public place other than the following:

- A private residence including the person's curtilage or yard.
- Private property not generally accessible by the public, unless the person is explicitly prohibited from consuming cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products on the property by the owner of the property.
- The premises of an establishment or event licensed to permit on-site consumption.

Cities will need to work with their city attorney to craft an ordinance defining the areas where cannabis use will be prohibited.

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Q32. Can our city ban the smoking of cannabis in public places?

A32. A city may adopt an ordinance establishing a petty misdemeanor offense for a person who unlawfully uses cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a public place other than the following:

- A private residence including the person's curtilage or yard.
- Private property not generally accessible by the public, unless the person is explicitly prohibited from consuming cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products on the property by the owner of the property.
- The premises of an establishment or event licensed to permit on-site consumption.

In addition, under the Minnesota Clear Indoor Air Act, cities are authorized to adopt more stringent regulations on smoking to protect individuals from secondhand smoke or from involuntary exposure to aerosol or vapor from electronic smoking devices. Cities have used this authority to prohibit smoking of tobacco products in public areas including parks, distances from business entrances, and outdoor restaurant patios. This same authority could be used to prohibit the smoking of cannabis in those areas.

Cities should check their ordinances to determine if a prohibition on smoking tobacco products in public places would also apply to cannabis products.

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City regulation

Q33. Can the city require sellers to have a city-issued license?

A33. A city may not require additional licenses other than the cannabis licenses issued by the OCM. However, the OCM will forward applications to cities for them to certify whether the proposed cannabis business complies with local zoning ordinance and, if applicable whether the proposed business complies with the state fire and building code. The OCM may not issue a license to a cannabis business that does not meet local zoning and land use laws.

Before a cannabis business begins making retail sales, it will be required to register with the city in which it is located.

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Q34. When is our city required to issue retail registration to a cannabis retail business?

A34. A city is required to issue a retail registration to a cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness, cannabis retailer, medical cannabis combination business operating a retail location, or lower-potency hemp edible retailer that:

- Has a valid license or license preapproval issued by the OCM.
- Has paid the registration fee.
- Is found to be in compliance with the requirements of the applicable state laws through a preliminary compliance check performed by the city.
- Is current on all property taxes and assessments at the location where the retail establishment is located.

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Q35. Can a retail registration issued by our city be transferred?

A35. Retail registration may not be transferred.

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Q36. Is our city required to conduct compliance checks on businesses with a cannabis retail registration?

A36. Cities will be required to conduct compliance checks on retail cannabis businesses with a retail registration by the city. The OCM will develop standardized forms and procedures for these compliance checks.

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Q37. Can our city charge a fee for a cannabis retail registration?

A37. A city may impose an initial retail fee of \$500 or up to half the amount of the applicable initial license fee charged by the OCM, whichever is less. The city may also charge a renewal retail registration fee of \$1,000 or up to half the amount of the applicable renewal license fee charged by the OCM, whichever is less.

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Q38. Can my city limit the number of cannabis retailer licenses issued in our city?

A38. A city that issues cannabis retailer registrations may, by ordinance, limit the number of licensed cannabis retailers, cannabis mezzobusinesses with a retail operations endorsement, and cannabis microbusinesses with a retail operations endorsement to no fewer than one registration for every 12,500 residents. In addition, if a county has one active registration for every 12,500 residents, a city within the county is not obligated to register any additional cannabis businesses.

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Q39. How does this impact my city's existing license for THC products?

A39. It appears that cities may continue to license edible cannabinoid products until the OCM begins issuing licenses. Those businesses that sell edible cannabinoid products to consumers must register with OCM before selling products. Once the OCM begins issuing lower-potency hemp edible retailer licenses, cities are likely preempted from continuing to issue their own licenses and would begin registering retailers through the city's cannabis retailer registration process.

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Q40. Can edible cannabinoid products be sold for on-site consumption?

A40. Until the OCM begins issuing licenses, the on-site consumption of edible cannabinoid products is limited to those businesses with an on-sale liquor license issued under Minnesota Statutes, Chapter 340A. In addition, the following conditions must be met:

- Products, other than those intended to be consumed as a beverage, must be served in original.
- Products may not be sold to an intoxicated customer.
- Products must not be permitted to be mixed with alcoholic beverages.
- Products removed from packaging must remain on premises.
- Products that are intended to be consumed as a beverage may be served outside of the products' packaging if the information that is required to be contained on the label of an edible cannabinoid product is posted or otherwise displayed by the retailer.

After the OCM is set up, it will issue on-site consumption endorsements for cannabis license holders.

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Q41. Will I be able to prohibit cannabis events in my city?

A41. The new law authorizes temporary cannabis events lasting no more than four days. To be approved for a cannabis event license, applicants must obtain any necessary permits or licenses issued by a local unit of government. Cities may not prohibit cannabis events, but they may set standards which the event organizer must meet. Cities may also permit on-site consumption for events but are not required to.

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Q42. How does this impact my city's existing THC license program?

A42. Local THC licenses may continue until the OCM begins issuing its own licenses, which state agencies anticipate beginning in January of 2025. When the OCM licensing begins, cities will need to follow the retail registration procedures outlined in the law.

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Q43. How does the new law impact my city's existing THC moratorium?

A43. The new law does not affect a current moratorium. If a city adopted a moratorium on low-potency edibles, it remains in place and will expire as noted when it was adopted.

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Q44. Can the city's zoning regulation restrict where a business can operate?

A44. Cities are allowed to adopt reasonable restrictions on the time, place, and manner of the operations of a cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses. Cities may prohibit the operations 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 a playground or athletic field.

OCM has published a [Guide for Local Governments on Adult-Use Cannabis](#) which contains model language related to zoning.

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Q45. Can cities adopt a moratorium prohibiting the sale, manufacturing, or distribution of adult-use cannabis to study the issue?

A45. Cities may adopt an interim ordinance if:

- It is conducting studies.
- Has authorized a study to be conducted.
- Has held or has scheduled a hearing for the purpose of considering adoption or amendment of reasonable restriction on the time, place, and manner of the operation of a cannabis business as defined in the new law.

Before adopting an interim ordinance, the city must hold a public hearing on the issue. The interim ordinance may be in place until Jan. 1, 2025. The authority for an extended moratorium does not apply to the sale or production of low-potency hemp edible products.

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Q46: What if my city has complaints about a licensed cannabis business?

A46. The OCM will establish an expedited complaint process to receive, review, and respond to complaints made by cities about a cannabis business. The OCM will be required to respond to the complaint within seven days and perform any necessary inspections within 30 days. If certain cannabis businesses are deemed by the city to pose an immediate threat to the health or safety of the public, the OCM must respond within one business day.

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Q47: Can a city deny a liquor license if they find that the business is selling cannabis or low-potency hemp products without a license?

A47. Yes. The new law prohibits a retail license from being issued to a person who has had a license or registration issued under ch. 342 or Minn. Stat. § 151.72, subd. 5b revoked; has been convicted of an offense under Minn. Stat. § 151.72, subd. 7; or has been convicted under any other statute for the illegal sale of marijuana, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or edible cannabinoid products and the sale took place on the premises of a business that sells intoxicating liquor or 3.2% malt liquor.

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Q48. Can a city suspend or revoke a tobacco license if they find that they are selling cannabis or low-potency hemp products without a license?

A48. Yes. The new law allows a tobacco license to be suspended or revoked if the licensee has a registration or licensed under ch. 342 or Minn. Stat. § 151.72, subd. 5b revoked; is convicted of an offense under Minn. Stat. § 151.72, subd. 7; or has been convicted under any other statute for the illegal sale of marijuana, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or edible cannabinoid products and the sale took place on the premises of a business that sells tobacco. A city must provide notice and an opportunity for a hearing before suspension or revocation.

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City employment and personnel issues

Q49. Does the new law allowing adult-use cannabis change anything about how we do drug testing for CDL holders?

A49. No, cities with positions requiring an employee to hold a commercial driver's license (CDL) will recall these positions are regulated by federal law, and those regulations are supervised by the Federal Department of Transportation (DOT). Federal law preempts state law related to cannabinoid use; in fact, the DOT states in its [DOT Recreational Marijuana Notice](#) that it does not authorize the use of Schedule I drugs, including marijuana, for any reason. As a result, cities should continue to follow their drug-testing procedures related to CDL holders and may enforce prohibitions against any use of cannabinoids for CDL holders, regardless of state law protections.

Cities can find more information on existing drug testing policies in the [LMC Drug and Alcohol Testing Toolkit](#), starting on page 22. An updated model Non-DOT Drug, Alcohol and Cannabis Policies will be available once legal consultants have reviewed.

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Q50. Does the new law change anything related to employees who carry a firearm?

A50. No. Public safety employees who carry a firearm cannot lawfully use marijuana under federal law. Federal law prohibits cities from providing firearms or ammunition to an employee it knows or has reason to think is using marijuana. Although there is a legal difference between

marijuana products and hemp products, it may not be possible to differentiate the products in a drug test. Officers should be mindful of any substance they ingest because they are ultimately responsible if those products lead to a positive marijuana test.

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Q51. Besides positions requiring a CDL or carrying a firearm, are there any other positions which are not affected by the new law?

A51. Yes. The law excludes the following seven position classes from the law's changes:

1. A safety-sensitive position, as defined in as defined in Minn. Stat. § 181.950, subd. 13.
2. A peace officer position, as defined in Minn. Stat. § 626.84, subd. 1.
3. A firefighter position, as defined in Minn. Stat. § 299N.01, subd. 3.
4. A position requiring face-to-face care, training, education, supervision, counseling, consultation, or medical assistance to:
 1. Children.
 2. Vulnerable adults, as defined in Minn. Stat. § 626.5572, subd. 21.
 3. Patients who receive health care services from a provider for the treatment, examination, or emergency care of a medical, psychiatric, or mental condition.
5. A position funded by a federal grant.
6. Any other position for which state or federal law requires testing of a job applicant or employee for cannabis.
7. A position requiring a commercial driver's license or requiring an employee to operate a motor vehicle for which state or federal law requires drug or alcohol testing of a job applicant or employee.

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Q52. Can we still prohibit employees from being under the influence of cannabis while at work? Does the League have a model policy with updated language?

A52. Yes, employers can continue to prohibit employees from being under the influence of cannabis products, while at work. For employers, a key focus will be workplace safety with the consideration that cannabis is more difficult to detect and test than alcohol. Employers may continue to maintain drug-free policies at the workplace and discipline employees who use cannabis during working hours or who report to work impaired.

Under the Occupational Safety and Health Administration's (OSHA) General Duty Clause of the Occupational Safety and Health Act, employers are required to furnish a workplace free from recognized hazards that are likely to cause serious physical harm. This provision of the Act is typically used in accident cases where toxicology screens are positive. OSHA's new electronic recordkeeping rule, clarified on Oct. 11, 2018, states "If the employer chooses to use drug testing to investigate the incident, the employer should test all employees whose conduct could have contributed to the incident, not just employees who reported injuries," with respect to using drug testing to evaluate the root cause of a workplace incident that harmed or could have harmed employees. Thus, a non-DOT drug and cannabis-city testing policy with protocols following this guidance is important.

Under the new law, employers can enact and enforce work policies prohibiting the use, possession, and impairment of cannabis while at work or operating employer vehicles, equipment, and machinery. It is difficult to test for cannabis to determine if an employee is currently under the influence due to the drug's ability to be detectable for weeks after it is used. With the prohibitions on disciplining employees other than those listed in Q3, employers will be in a difficult position to take action against an employee who tests positive for cannabis. A best practice is for cities to train supervisors about the behavioral signs and symptoms of drug and cannabis use as well as how to document observations of potential impairment so should a situation occur in the workplace, supervisors can effectively respond and document what they observed leading to the situation.

An updated model Non-DOT Drug, Alcohol and Cannabis Policies will be available once legal consultants have reviewed.

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Q53. If an employee is injured while being under the influence of cannabis at work, are they still entitled to workers' compensation benefits?

A53. While each case is very fact-specific, the general rule is that if the injury was intentionally self-inflicted or the intoxication of the employee is the proximate cause of the injury, then the employer is not liable for compensation. The burden of proof of these facts is upon the employer.

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Q54. Can employees be in possession of edibles or other cannabis products while at work?

A54. Cities may enact policies prohibiting employees from bringing cannabis products, including edibles, to work. A best practice is for cities to train supervisors about the behavioral signs and symptoms of drug and cannabis use as well as documenting observations of potential impairment so should a situation occur in the workplace, supervisors can effectively respond and document what they observed leading to the situation.

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Q55. Do we need to change anything in our collective bargaining agreement (CBA) regarding discipline of employees who use cannabis products?

A55. Maybe. If cities have policies within their CBAs that relate to cannabis use and discipline, cities should consult with their city attorney to determine if any changes are needed. CBAs may address cannabis and cannabis testing, but the CBAs must at least meet the minimum employee rights guaranteed by the statute.

Ensure your city's drug and cannabis-testing policies have been updated and your supervisors are trained on the behavioral signs and symptoms associated with impairment as well as documenting observations of potential impairment. If the CBA includes language that policy changes need to be negotiated, then there would need to be a meeting with the union if the city's policy changes.

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Q56. Can employees use cannabis products off-duty?

A56. It depends. See Q1, Q2, and Q3 for a list of employees who can be prohibited from using cannabis products both on and off duty due to federal or state regulations. Other employees would be able to use cannabis products while they are off duty, if they are not impaired at work. If there are any questions regarding whether an employee could be prevented from using cannabis products while off-duty, please consult your city attorney before any action is taken.

In addition, the law prohibits an employer from taking adverse employment action against an employee who is a patient in the state's medical cannabis program unless a failure to do so would violate federal or state law or regulations, or cause an employer to lose a monetary or incensing-related benefit under federal law or regulations.

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Q57. How does this impact the requirements of the Drug-Free Workplace Act?

A57. It does not. The Drug-Free Workplace Act of 1988 (DFWA) requires federal grantees and contractors to implement a drug-free workplace policy and establish a drug-free awareness program as a precondition for receiving a federal grant or a contract. However, the DFWA does not require covered employers to test employees for drugs or terminate them for drug-related violations, so the new Minnesota state law does not impact the DFWA directly. Minnesota law allows employers to prohibit employees from bringing legal cannabis products to work and permits employers to prohibit employees from being under the influence while at work. It would be best practice for cities with drug-free work policies to keep those in effect. If a city wishes to do so, it can update its policy to include lawful cannabis products within its scope.

An updated model Non-DOT Drug, Alcohol and Cannabis Policies will be available once legal consultants have reviewed.

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Q58. Should my city continue to include cannabis as a pre-employment panel screen for my non-DOT/safety-sensitive employees?

A58. The new Minnesota law prohibits an employer from refusing to hire an applicant simply because of a positive cannabis drug test. There are exceptions for positions where such testing and denial of job offer is required under applicable federal or state law. Cities will want to refer to the Q3, which provides a list of positions excepted from cannabis testing prohibitions. Practically speaking, if a position is not excepted, cities will need to determine whether they want to continue to test for cannabis in light of the limitation of the testing and confer with their city attorney before taking an action as a result of a positive test.

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Edible cannabinoid products

Q59. What is an edible cannabinoid product?

A59. An edible cannabinoid product is any product that is intended to be eaten or consumed as a beverage by humans, contains a cannabinoid in combination with food ingredients and is not

a drug. The edible product must contain a maximum of 5 mg THC per serving. Edible cannabinoid products do not include products that are intended to be smoked or vaped.

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Q60. What are the labeling requirements for edible cannabinoid products?

A60. Label's on THC edible products must include the following:

- Name, location, phone number, and website of manufacturer.
- Name and address of independent accredited laboratory used to test product.
- Batch number
- Amount or percentage of cannabinoids in each unit of the product.
- Statement stating that the product does not claim to diagnose, treat, cure, or prevent any disease and has not been evaluated or approved by the FDA.
- No claim that the product may be used or is effective for the prevention, treatment, or cure of a disease; or that it may be used to alter the structure or function of human or animal bodies, unless the claim has been approved by the FDA.
- Serving size
- Cannabinoid profile per serving and total.
- Ingredients
- The following Statement, "Keep this product out of reach of children."

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Q61. What are the restrictions on edible cannabinoid products?

A61. Edible cannabinoid product in Minnesota must meet the following requirements:

- Products may not bear likeness or contain cartoon-like characteristics of a real or fictional person, animal, or fruit that appeals to children.
- Products may not be modeled after a brand of products primarily consumed by or marketed to children.
- Products may not be made by applying cannabinoids to a commercially available candy or snack food item.
- Products may not contain other non-FDA approved ingredients.
- Products may not be packaged in a way that resembles other commercially available food products.
- Products may not be packaged in a container that includes items that could reasonably mislead a person to believe the package contains anything but an edible cannabinoid product.
- Must be packaged in child resistant, tamper-evident, and opaque packaging except if intended to be consumed as beverage.
- Contain no more than 5 mg THC per serving.

- Contain no more than 50 mg THC per package.
- Only contain Delta-8 or Delta-9 THC.
- Must be stored behind counter or in locked space.
- Must not be sold to those under the age of 21.

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Q62. Can edible cannabinoid products be sold for on-site consumption?

A62. Edible cannabinoid products can be sold for on-site consumption if the seller also holds an on-sale liquor license. Products sold for on-site consumption may not be mixed with alcohol and may not be sold to a customer who the retailer knows or reasonably should know is intoxicated.

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Q63. Can an exclusive liquor store sell edible cannabinoid products?

A63. An exclusive liquor store is authorized under state law to sell edible cannabinoid products.

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Q64. Do retailers that sell edible cannabinoid products need to register with the state?

A64. Sellers of edible cannabinoid products must register with the state of Minnesota by Oct. 1, 2023. The registration form can be found on the OCM website.

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Q65. Who should I contact if a retailer is selling noncompliant products in my city?

A65. The Office of Cannabis Management has established a complaint form to be used if a person suspects that an edible cannabinoid product is being sold in violation of state law. [Access the OCM complaint form](#). In addition, MDH has created a [Hemp-Derived Cannabinoid Product Compliance Fact Sheet for retailers \(pdf\)](#).

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Q66. Will LMCIT coverage apply to sales of low-potency edible products sold at a municipal liquor store?

A66. The Trust has defined two categories of cannabis products for purposes of coverage:

1. Low-potency edibles or infused drinks (cannabinoid products) sold at municipal liquor stores that are legal and authorized under state law. These products were legalized in Minnesota in 2022 with authority for municipalities to sell in 2023.
2. Other types of cannabis products that were legalized in 2023 and involve higher potencies and more ways to consume, such as inhalation.

The Trust will not exclude damages arising out the sale of low-potency cannabinoid products that fall within the requirements specified in [Minn. Stat. § 151.72](#).

Q67. Where can I find more information on edible cannabinoid products?

A67. [Visit OCM's webpage related to hemp-derived cannabinoid products.](#)

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Zoning Map

July 16, 2024



Legend

- | | |
|-------------------------------------|---|
| A-1 Agricultural District | R-2 Single Family District (90,000 Sf, Unsewered) |
| A-2 Agricultural District | R-3 Single Family and Attached Residential |
| B-2 Neighborhood Business District | R-E Single Family District (5 Ac, Unsewered) |
| B-3 General Business District | R-M Medium Density Residential District |
| B-4 Commercial/ Industrial District | R-MH Mobile Home District |
| B-P Business Park District | R-O Old Village Residential |
| ES Essential Service District | S-A Special Agriculture District |
| G-MU-4 Balsam Lane | GMU-3 Historic Village |
| I-1 Light Industrial District | City Boundary |
| P-R Public Recreation District | PUD |
| R-1 Single Family District | County Parcels |
| R-1A Single Family Residential | |

