

CANNABIS PLANNING & ZONING

for MINNESOTA COUNTIES



Association of
Minnesota Counties

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CONTENTS

- Introduction & Purpose 2**
- State Statute Analysis..... 2**
- Retail Cannabis Businesses 4**
 - Registering Retail Businesses 4
 - Limiting Retail Registrations 4
 - City or Town Registration Delegation 4
- Incorporating Cannabis Businesses Into Zoning Districts..... 5**
- Siting 5**
 - Distance from Other Types of Businesses and Public Spaces..... 6
 - Distance from similar types of businesses..... 7
- Performance Standards 8**
 - Odor & ventilation..... 8
 - Security 10
 - Light pollution mitigation..... 14
 - Wastewater management 15
 - Solid Waste..... 16
- Other Areas for Consideration of Time, Place and New Restrictions..... 18**
 - Energy Use..... 18
 - Water Use 19
- Temporary Cannabis Events 20**
- Appendix A - Definitions 23**
 - Cannabis Business Definitions..... 23
 - Hemp Businesses Definitions 26
- Appendix B - Scenarios..... 26**

INTRODUCTION & PURPOSE

The 2023 cannabis legalization law allows Minnesota counties to adopt reasonable restrictions on the time, place, and manner of the operation of a cannabis business or hemp business as long as the restrictions do not prohibit the establishment or operation of a cannabis or hemp business. Local governments in other legalization states have adopted and implemented differing regulations on cannabis businesses that Minnesota local governments may want to consider.

Minnesota state agencies are currently working on administrative rules which may impact how local governments regulate cannabis businesses. Ideally, counties would wait for the rules to be adopted to draft their local regulations, but these rules will not be completed until later in 2024. A county may want to begin soon to analyze, deliberate, and decide on if and how it wants to regulate cannabis businesses in its jurisdiction given the short timeline between the adoption of state administrative rules and beginning of legal sales.

STATE STATUTE ANALYSIS

The cannabis legalization law delineates a number of policy areas that will receive additional specifications in state administrative rules. Administrative rules will likely be created during the summer of 2024 on a number of issues that may impact local planning and zoning standards including solid waste, security, lighting, water standards, energy use, solid waste, and odor. The chart below highlights some of these standards for cannabis cultivators, manufacturers, and retail businesses.

Cultivation and Manufacturing Performance Standards:	Cannabis Cultivator and Manufacturer Requirements:
Security & Lighting	According to MN Statutes 2023 Sec. 342.25 Subd. 7 , indoor and outdoor cultivator businesses are subject to the security, fencing, lighting, and any other requirements established by state administrative rules.
Wastewater	According to MN Statutes 2023 Sec. 342.28 Subd. 3 , an applicant for a cultivator and manufacturer license must submit to the state: an operating plan demonstrating the proposed size and layout of the cultivation facility; plans for wastewater and waste disposal for the cultivation facility; plans for providing electricity, water, and other utilities necessary for the normal operation of the cultivation facility [...]
Ventilation & Filtration	According to MN Statutes 2023 Sec. 324.24 Subd. 4 , a cannabis business must maintain a ventilation and filtration system sufficient to meet the requirements for odor control established by state administrative rules.
Solid Waste	According to MN Statutes 2023 Sec. 342.25 Subd. 4 , a cultivator business must prepare, maintain, and execute a solid waste disposal plan. MN Statutes 2023 Sec. 342.08 Subd. 3 notes administrative rules will be created for appropriate disposal of cannabis plant matter, packaging, and other solid waste of all cannabis businesses.

Retail Performance Standards:	Cannabis Retail, Microbusiness, and Mezzobusiness Requirements:
Security	According to MN Statutes 2023 Sec. 342.27 Subd. 9 , a cannabis retail business shall maintain compliance with security requirements established by the state, including but not limited to requirements for maintaining video surveillance records, using specific locking mechanisms, establishing secure entries, and the number of employees working at all times.
Lighting	According to MN Statutes 2023 Sec. 342.27 Subd. 10 , a cannabis retail business must keep all lighting outside and inside the dispensary in good working order and of sufficient wattage for security cameras.
Wastewater	According to MN Statutes 2023 Sec. 342.29 Subd. 3 , an applicant for a cannabis mezzobusiness license must submit to the state an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; plans for wastewater and waste disposal for any cultivation or manufacturing activities; plans for providing electricity, water, and other utilities necessary for the normal operation of any cultivation or manufacturing activities [...]
Ventilation & Filtration	According to MN Statutes 2023 Sec. 324.24 Subd. 4 , a cannabis business must maintain a ventilation and filtration system sufficient to meet the requirements for odor control established by state administrative rules.
Solid Waste	According to MN Statutes 2023 Sec. 342.08 Subd. 3 , administrative rules will be created for appropriate disposal of cannabis plant matter, packaging, and other solid waste of all cannabis businesses.

RETAIL CANNABIS BUSINESSES

Registering Retail Businesses

Cannabis retail businesses, including mezzobusinesses, microbusinesses, medical combination businesses, and lower-potency hemp edible retailers must register with the local government where its establishment is located before starting sales to customers. Cities and towns may delegate their registration authority to the county. Local governments do not register non-retail cannabis businesses.

Local governments may charge a registration fee, but not an application fee for retail businesses. The registration fee amount varies depending on the type of retail business license. Before issuing a retail registration, the local unit of government may conduct a preliminary compliance check to ensure that the cannabis business or hemp business is in compliance with the applicable operation requirements and the limits on the types of products that may be sold.

Local governments must renew a registration at the same time the state renews the retail business' license. The local government may charge a renewal fee for the registration starting at the second renewal. If the local government registers retail businesses it must complete an annual compliance check assessing if the business meets age verification requirements, operation requirements, and the applicable limits on the types of products being sold.

Local governments may suspend a retail cannabis business's registration if it violates local regulations or poses an immediate threat to the health or safety of the public. The suspension can be for up to 30 days, unless the State suspends the license for a longer period. The business may not make sales to customers if their registration is suspended. The local government must immediately notify the Office of Cannabis Management (OCM) of the suspension so the OCM can investigate the violation.

Limiting Retail Registrations

Local governments may adopt an ordinance that limits the number of licensed retail cannabis businesses, mezzobusinesses, and microbusinesses to one per 12,500 residents. If a county has one active registration for every 12,500 residents, a city or town within the county is not obligated to register a cannabis business. If a county does not have an ordinance limiting retail cannabis businesses, it must register any business that applies and meets local regulations in the areas where they have registration authority, unincorporated land and cities or towns that have delegated registration authority to the county. Appendix B includes four scenarios for how the population rule and decisions by the county and its cities and towns may impact the number and location of retail cannabis businesses.

Local governments may suspend a retail cannabis business's registration if it violates local regulations or poses an immediate threat to the health or safety of the public. The suspension can be for up to 30 days unless the State suspends the license for a longer period. The business may not make sales to customers if their registration is suspended. The local government must immediately notify the Office of Cannabis Management of the suspension so the Office can investigate the violation.

City or Town Registration Delegation

Counties should begin consulting with their cities and towns on how their jurisdictions plan to incorporate cannabis retail businesses into their communities. This is especially important in counties that receive delegation authority for registering retail businesses on behalf of its cities or towns. Even if a

city or town does not register retail businesses, the local jurisdiction may have local regulations that affect the time, place, or manner of a retail business's operation. Counties and their cities and towns should decide on a process for the county to confirm with its local jurisdictions that a retail business applicant meets the city's or town's local regulations before issuing a registration.

INCORPORATING CANNABIS BUSINESSES INTO ZONING DISTRICTS

Counties will need determine which cannabis businesses will be permitted in the different zoning districts county and if the businesses will need conditional or interim use permits. This may vary for cultivation, manufacturing and retail.

Counties should note that many cultivation businesses will operate indoors rather than growing cannabis in open fields like other crops. Indoor cultivation practices have prompted some jurisdictions in other states to categorize cannabis cultivation as "light industrial" rather than "agricultural". Regardless of cannabis cultivation as an agricultural operation, the business site will need to implement various performance standards, like security regulations, not typically applied to open-field crop operations.

SITING

Local governments may "adopt reasonable restrictions on the time, place, and manner of the operation of a cannabis business." In addition, the cannabis legalization law gives a few specifics. A local unit of government may prohibit the operation of cannabis or hemp businesses within:

- 1,000 feet of a school,
- 500 feet of a day care,
- 500 feet of a residential treatment facility, or
- 500 feet of an attraction within a public park that is regularly used by minors, including a playground or athletic field.

Counties may regulate the siting of cannabis businesses based on their responsibility to ensure the public health, safety, and welfare of county residents. Jurisdictions in other states restrict cannabis businesses from locations that encourage access or interest of certain populations such as juveniles and individuals with substance use disorders. These provisions may include restricting businesses from operating near churches, libraries, recreational centers, halfway houses, etc. The above locational restrictions are set forth in State law. While adding additional locational restrictions with respect to additional uses presents the potential for an argument they are not authorized by law, it would seem there would be additional "place" restrictions; provided a good record is made of the basis for the need for any locational restriction beyond those in the statute.

Counties may also consider siting regulations pertaining to proximity to other cannabis businesses; whether aiming to have one concentrated area with all related businesses or spaced out in the

community. Counties may also want to consider proximity to other businesses that place similar strains on the community such as traffic congestion, electrical grid congestion or high-water use.

Below are a few examples of siting regulations implemented in jurisdictions in other states. These examples are not recommendations, but language the county can consider while deliberating what is best in their community. Counties should consult with legal counsel prior to adopting an ordinance.

Distance From Other Types of Businesses and Public Spaces

Summit County, Colorado¹

Marijuana Businesses-Proximity to Other Land Uses: [...]Distances shall be computed by direct measurement from the nearest property line of the land use listed below to the nearest portion of the building of the marijuana business. Distances shall be verified by the applicant and confirmed by the Local Licensing Authority via a method deemed acceptable by the County. At a minimum, no marijuana business shall be located within the following distances from the specified land uses listed below: 1. 50 feet of property being used for a residential use, property in a residential zoning district, and a property with a residential use in a PUD; 2. 1,000 feet of a licensed childcare facility or residential childcare facility; 3. 1,000 feet of any elementary school, middle school, high school, college or university either public or private; 4. 500 feet of a halfway house or correctional facility; 5. 500 feet of another marijuana business;

Adams County, Colorado²

Locations of Marijuana Hospitality Businesses or Retail Marijuana Hospitality and Sales Businesses

No Hospitality Business shall be located within 1,000 feet of any existing public or private elementary, middle junior high or high school, state licensed daycare homes and daycare centers in existence as of the date of application (based on information provided to the County by the State of Colorado), playground, or public housing facility.

No Hospitality Business shall be located within 100 feet of any existing house of worship, youth center, public swimming pool, video arcade, alcohol or drug rehabilitation facility, group home for the developmentally disabled, halfway house, or correctional facility.

No Hospitality Business shall be located within 50 feet of any residentially zoned or used property.

No Hospitality Business shall be located within five miles of any other Hospitality Business.

Hospitality Businesses shall only be allowed in the following Zone Districts: all industrial zone districts, Commercial-3, Commercial-4, and Commercial-5

¹ <https://www.summitcountyco.gov/DocumentCenter/View/9234/Marijuana-Regs?bidId=>

² <https://www.adcogov.org/sites/default/files/Ordinance%20No.%2015.PDF>

*Park County, Colorado*³

Section 13. Location Criteria

- a. No medical marijuana establishment shall be located at the following locations:
- b. Within 500 feet of a licensed child care facility;
 - i. Within 500 feet of any educational institution or school, college or university, either public or private;
 - ii. Within 500 feet of any public park, public pool, or public or private recreational facility;
 - iii. Within 500 feet of any halfway house or correctional facility;
 - iv. Within 1000 feet of any dual operation marijuana business (medical and retail marijuana stores only);
 - v. Within any building or structure that contains a residential unit; or
 - vi. Upon any County owned property
 - vii. Within one (1) mile of any municipal boundary at the time of application submittal unless the governing body of such municipality waives, in writing, any objection to the location of the proposed medical marijuana establishment.

Distance from Similar Types of Businesses

*City of Cleveland, Mississippi*⁴

Section 2- Zoning and Distance Restrictions

The licensed premises shall not be located within a one-thousand-five-hundred (1500) feet radius from the main point of entry of the dispensary to the main point of another medical dispensary.

*Arapahoe County, Colorado*⁵

Section III. Marijuana Establishments

[...] No more than four (4) commercial marijuana stores are permitted to operate within unincorporated Arapahoe County. The establishment and operation of all other marijuana businesses within unincorporated Arapahoe County is prohibited.

³ <https://www.parkco.us/DocumentCenter/View/2893/Medical-Marijuana-Ordinance-16-03?bidId=>

⁴ <https://cityofclevelandms.com/DocumentCenter/View/360/An-Ordinance-Allow-for-the-Licensing-of-and-Establishing-Regulations-for-Medical-Cannabis-Dispensaries-PDF>

⁵ <https://www.arapahoegov.com/DocumentCenter/View/11285/AC-Ord-2022-01-Establish-Limited-Com-Marijuana-Stores---effective-12-16-22?bidId=>

PERFORMANCE STANDARDS

The cannabis law also permits counties to implement “reasonable restrictions” on the manner of cannabis business operations. Counties may consider applying common performance standards on cannabis operations. In jurisdictions in other states, counties and cities have established standards related to odor, security, lighting, and traffic management.

Odor & Ventilation

A primary concern for counties and cities with cannabis legalization in other states is odor control related to cultivation and manufacturing businesses. These facilities often have a distinct, unpleasant odor, similar in pungency to those of feedlots. Counties in other states have passed ordinances establishing odor and air quality control standards to ensure clean air for the community. Rather than adding a performance standard specific to odor, counties may consider limiting density to limit the intensity of smell.

Below are a few examples of odor control regulations implemented in jurisdictions in other states. These examples are not recommendations, but language the county can use while deliberating what is best in their community. Counties should consult with legal counsel prior to adopting an ordinance.

Sonoma County, California⁶

Air Quality and Odor. All indoor and mixed light cultivation operations and any drying, aging, trimming and packing facilities shall be equipped with odor control filtration and ventilation system(s) to control odors, humidity, and mold. All cultivation sites shall utilize dust control measures on access roads and all ground disturbing activities.

El Dorado County, California⁷

Odor. Commercial cannabis activities, including but not limited to cultivating, drying, curing, processing, manufacturing, testing, and storing of cannabis, shall not adversely affect the health, safety, or enjoyment of property of persons residing near the property on which the commercial cannabis activity occurs due to odor that is disturbing to people of normal sensitivity. Any cannabis odor shall not be equal or greater than a 7 dilution threshold (“DT”) when measured by the County with a field olfactometer at the property line on which the commercial cannabis activity occurs for a minimum of two olfactometer observations not less than fifteen minutes apart within a one hour period (“7 DT one hour”). If the odor from a

⁶<https://sonomacounty.ca.gov/Main%20County%20Site/Administrative%20Support%20%26%20Fiscal%20Services/CAO/Documents/Projects/Cannabis/2018%20Final%20Cannabis%20Ordinance%20with%20Attachments%20ORD%206245.pdf>

⁷<https://www.edcgov.us/Government/planning/ordinances/Documents/Cannabis%20Ordinance%205111%20%28Measures%20R%20and%20S-Indoor%20Uses%29.pdf>

commercial cannabis activity violates this subsection, the permittee must reduce the odor below the 7 DT one hour at property line threshold within the time required by the County.

Notwithstanding the prior issuance of a permit, the County may require installation of one or more odor control options, which may include but are not limited to the use of activated carbon filtration or equivalent odor abatement control equipment on air exhaust, a vapor-phase odor control system, increasing the required setback, growing fewer plants, or growing only low odor cannabis strains. Installation of certain odor control options may require a permit. Any such notice requiring the use of one or more odor control options will provide a deadline for completion and the dilution threshold will be retested upon expiration of that deadline. The continued odor in excess of 7 DT one hour upon retesting will constitute a violation of this section subject to enforcement, abatement, and revocation of the Commercial Cannabis Use Permit and Commercial Cannabis Annual Operating Permit under Section 130.41.100 and Article 5, Section 130.54.090 (Revocation or County Mandated Modification of a Permit).

*City of Hillsboro, Oregon*⁸

Odor Mitigation Measures Required. Production and processing facilities shall install and maintain enhanced ventilation systems designed to prevent detection of marijuana odor from adjacent properties or the public right-of-way. Such systems shall include the following features:

- A. Installation of activated carbon filters on all exhaust outlets to the building exterior;
- B. Location of exhaust outlets a minimum of 10 feet from the property line and 10 feet above finished grade; and
- C. Maintenance of negative air pressure within the facility; or
- D. d. An alternative odor control system approved by the Building Official based on a report by a mechanical engineer licensed in the State of Oregon, demonstrating that the alternative system will control odor equally or better than the required activated carbon filtration system.

⁸ https://library.qcode.us/lib/hillsboro_or/pub/municipal_code/item/chapter_12-subchapter_12_40-12_40_194#:~:text=Odor%20Mitigation%20Measures,carbon%20filtration%20system.

Security

According to [MN Statutes 2023 Sec. 342.25 Subd. 7](#), of the cannabis legalization law, a cannabis business must maintain and follow a security plan to deter and prevent the theft or diversion of cannabis plants into the illicit market; unauthorized entry into the cannabis business; and the theft of currency. Counties as a public safety and public health authority have an interest in establishing security expectations for cannabis business as a reasonable restriction on the manner of operations.

Below are a few examples of security regulations implemented in jurisdictions in other states. These examples are not recommendations, but language the county can consider while deliberating what is best in their community. Counties should consult with legal counsel prior to adopting an ordinance.

Monterey County, California⁹

Retailers shall implement and maintain sufficient security measures to both deter and prevent unauthorized entrance into areas containing cannabis or cannabis products in compliance with Section 26070 of the California Business and Professions Code and any rules promulgated by the licensing authority. Security measures shall include, but are not limited to, the following:

- A. Prevent individuals from loitering on the premises of the retailer if they are not engaging in activity expressly related to the operations of the retailer;
- B. Establish limited access areas accessible only to authorized dispensary personnel;
- C. Store all cannabis and cannabis products in a secured and locked safe room, safe, or vault, and in a manner as to prevent diversion, theft, and loss, except for limited amounts of cannabis and cannabis products used for display purposes, samples or immediate sale;
- D. Install security cameras on site; and
- E. e. Provide for on-site security personnel meeting the requirements and standards contained within [Chapter 7.30](#) of the Monterey County Code. Onsite security shall not carry firearms or other lethal weapons.

Josephine County, Oregon¹⁰

5.35.070 Security cameras and lighting.

- A. If utilized, on-site security cameras shall be directed to record only the subject property and public right-of-way, except as required to comply with licensing requirements of the OLCC or registration requirements of the OHA.
- B. Light cast by light fixtures inside a building used for a marijuana business shall not be visible outside the building between the hours of 7:00 p.m. to 7:00 a.m.
- C. Outdoor marijuana grow lights shall not be illuminated from 7:00 p.m. to 7:00 a.m.

⁹https://library.municode.com/ca/monterey_county/codes/code_of_ordinances?nodeId=TIT21ZO_CH21.67COCAAC#:~:text=Retailers%20shall%20implement,to%2C%20the%20following%3A

¹⁰<https://www.codepublishing.com/OR/JosephineCounty/html/JosephineCounty05/JosephineCounty0535.html#:~:text=5.35.070%20Security%20cameras%20and%20lighting.>

D. Light cast by exterior light fixtures other than marijuana grow lights (e.g., security lights, driveway lights) shall be shielded or use a hood and lens that cast light downward so as to ensure no light is cast onto adjacent properties or upward into the night sky. If the lighting mechanism does not utilize a hood or lens, lighting fixtures shall be fully shielded in such a manner that all light emitted directly by the lamp or diffusing element, or indirectly by reflection or refraction, is projected below the horizontal plane through the lowest light-emitting part. [Ord. 2018-007 § 2.]

*Riverside County, California*¹¹

Security. A commercial cannabis activity shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products, to deter and prevent the theft of cannabis or cannabis products at the commercial cannabis activity and to ensure emergency access in accordance with applicable Fire Code standards. Guard dogs shall not be used at the commercial cannabis activity as a security measure. Security measures shall include, but not be limited to, the following:

1. A plan to prevent individuals from loitering on the lot if they are not engaging in activity expressly related to the commercial cannabis activity.
2. Twenty-four-hour emergency contact information for the owner or an on-site employee which shall be provided to the county.
3. A professionally installed, maintained, and monitored alarm system.
4. Except for live cannabis plants being cultivated at a cannabis cultivation facility and limited amounts of cannabis for display purposes, all cannabis and cannabis products shall be stored in a secured and locked structure and in a secured and locked safe room, safe, or vault, and in a manner as to prevent diversion, theft, and loss.
5. Twenty-four-hour security surveillance cameras to monitor all entrances and exits to a commercial cannabis activity, all interior spaces within the commercial cannabis activity that are open and accessible to the public, and all interior spaces where cannabis, cash or currency is being stored for any period of time on a regular basis. The permittee for a commercial cannabis activity shall be responsible for ensuring that the security surveillance camera's footage is accessible. Video recordings shall be maintained for a minimum of ninety (90) days, and shall be made available to the county upon request.
6. Sensors shall be installed to detect entry and exit from all secure areas.
7. Panic buttons shall be installed in all commercial cannabis activities.
8. Any bars installed on the windows or the doors of a commercial cannabis activity shall be installed only on the interior of the building.

¹¹https://library.municode.com/ca/riverside_county/codes/code_of_ordinances?nodeId=TIT17ZO_CH17.302COCAAC#:~:text=0.-Security,-%20A%20commercial%20cannabis

9. Security personnel must be licensed by the State of California Bureau of Security and Investigative Services.
10. A commercial cannabis activity shall have the capability to remain secure during a power outage and all access doors shall not be solely controlled by an electronic access panel to ensure locks are not released during a power outage.
11. A commercial cannabis activity shall cooperate with the county and, upon reasonable notice to the commercial cannabis activity, allow the county to inspect or audit the effectiveness of the security plan for the commercial cannabis activity.
12. The permittee for a commercial cannabis activity shall notify the Riverside County Sheriff's Department immediately after discovering any of the following:
 13. Significant discrepancies identified during inventory.
 14. Diversion, theft, loss, or any criminal activity involving the commercial cannabis activity or any agent or employee of the commercial cannabis activity.
 15. The loss or unauthorized alteration of records related to cannabis, registering qualifying patients, primary caregivers, or employees or agents of the commercial cannabis activity.
 16. Any other breach of security.
17. Firearms shall not be permitted at a commercial cannabis activity by an owner, manager, employee, volunteer, independent contractor, or designee other than those individuals authorized as a state licensed security personnel.
18. Cannabis or cannabis products shall not be stored outside at any time.

*California City, California*¹²

Sec. 5-6.902. Security Measures.

- a. A permitted cannabis business shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products, and to deter and prevent the theft of cannabis or cannabis products at the cannabis business. Except as may otherwise be determined by the City, these security measures shall include compliance with all State security regulations required under the Cannabis Licensee's State cannabis license, as those regulations may be amended from time to time
- b. Every cannabis business and cannabis dispensary shall provide adequate security on the premises, including lighting and alarms, to insure the safety of persons and to protect the premises from theft. As part of an application for a cannabis use, each applicant shall prepare and submit a security plan for review and approval by the Chief of Police, which approval or denial will be based upon the security standards stated above and in compliance with any security measures agreed upon between the City Manager and Chief of Police. Said plans shall remain updated and secured on file in the protective custody of

¹²https://library.municode.com/ca/california_city/codes/code_of_ordinances?nodeId=COOR_TIT5PUWE_CH6RECCAREBUAC_ART90PREALCABUPEUNCH_S5-6.902SEME

the Building Department. The information provided for purposes of this section shall be maintained by the Building Department as confidential information and shall not be disclosed as public records unless pursuant to subpoena issued by a court of competent jurisdiction.

- c. The City Council may impose further security requirements above and beyond the minimum-security requirements imposed by State regulations, upon the recommendation of the City Manager in consultation with the Chief of Police based on the unique circumstances associated with a particular cannabis business. Except as may otherwise be determined by the City Council, these security measures shall include compliance with all State security regulations required under the Cannabis Licensee's State cannabis license, as those regulations may be amended from time to time.
- d. A cannabis business shall identify a designated security representative/liaison to the City of California City, who shall be reasonably available to meet with the City Manager, the City's Police Chief, the City Fire Chief, or their designees, regarding any security related measures or and operational issues.
- e. The cannabis business shall cooperate with the City whenever the City Manager or his designee makes a request, upon reasonable notice to the cannabis business, to inspect or audit the effectiveness of any security plan or of any other requirement of this Chapter.
- f. A cannabis business shall notify the Chief of Police and the City Manager or his/her designee within twenty-four (24) hours after discovering any of the following:
 - (1) Significant discrepancies identified during inventory. The level of significance shall be determined by the regulations promulgated by the City Manager working in consultation with the Chief of Police.
 - (2) Diversion, theft, loss, or any criminal activity involving the cannabis business or any agent or employee of the cannabis business.
 - (3) The loss or unauthorized alteration of records related to cannabis, registering qualifying patients, primary caregivers, or employees or agents of the cannabis business.
- g. When more than one cannabis businesses or dispensary is located adjacent to, or in close proximity to another cannabis business or dispensary, the businesses or dispensaries may present a joint security plan to the Chief of Police for review and approval to avoid redundant activity and excess costs, provided the required level of security and effectiveness are not compromised, as determined by the Chief of Police.

(Ord. No. 18-766, § 2, 8-28-2018)

LIGHT POLLUTION MITIGATION

Indoor cannabis cultivation facilities maximize plant growth by exposing plants to hours of intensive lighting every day. Jurisdictions in other states have reported that the facilities' lighting can be a nuisance to community members.

Below are a few examples of lighting regulations implemented in jurisdictions in other states. These examples are not recommendations, but language the county can consider while deliberating what is best in their community. Counties should consult with legal counsel prior to adopting an ordinance.

*Humboldt County, California*¹³

5.4.12.4 Performance Standard for Light Pollution Control.

55.4.12.4.1 Structures used for mixed-light cultivation and nurseries shall be shielded (e.g., with tarps) so that no light escapes between sunset and sunrise.

55.4.12.4.2 Any security lighting for commercial cannabis activities shall be shielded and angled in such a way as to prevent light from spilling outside of the boundaries of the parcel(s) or premises or directly focusing on any surrounding uses.

55.4.12.4.3 The County shall provide notice to the operator upon receiving any light pollution complaint concerning the cultivation site. Upon receiving notice, the applicant shall correct the violation as soon as possible and submit written documentation within ten (10) calendar days, demonstrating that all shielding has been repaired, inspected and corrected as necessary. Failure to correct the violation and provide documentation within this period shall be grounds for permit cancellation or administrative penalties, pursuant to the provisions of Section [313-55.4.5.3](#).

*Trinity County, California*¹⁴

17.43.060

(1) All lighting associated with the operation shall be downcast, shielded and/or screened to keep light from emanating off-site or into the sky.

(m) Those cultivations using artificial lighting for mixed-light cultivations shall shield greenhouses so that little to no light escapes. Light shall not escape at a level that is visible from neighboring properties between sunset and sunrise.

¹³ <https://humboldt.county.codes/Code/313-55#:~:text=55.4.12.4,Light%20Pollution%20Control>.

¹⁴ https://library.municode.com/ca/trinity_county/codes/code_of_ordinances?nodeId=TIT17ZO_CH17.43COCACURE_17.43.060PESTCOCUCA

WASTEWATER MANAGEMENT

Minnesota cultivators will need to properly disposal of wastewater which is likely to contain nitrates, phosphorus, fungicides, pesticides, and cleaning products to avoid contaminating local water sources. Manufacturing operations will also need disposal processes for solvents that are commonly used in the oil extraction process.

Below are a few examples of wastewater management regulations implemented in jurisdictions in other states. These examples are not recommendations, but language the county can use while deliberating what is best in their community. Counties should consult with legal counsel prior to adopting an ordinance.

Riverside County, California¹⁵

Wastewater. All commercial cannabis activities shall obtain a "will serve" letter from the applicable sanitary sewer purveyor, indicating agreement to supply sewer for the commercial cannabis activity. The letter shall include the activity proposed and any improvements required for service. For commercial cannabis activities where sewer service is not available, conditions from the department of environmental health will be required for the conditional use permit. Where sanitary sewer is not available, the applicant shall obtain clearance from the appropriate regional water quality control board.

Humboldt County, California¹⁶

55.1.8.15 No effluent, including but not limited to waste products, chemical fertilizers or pesticides shall be discharged into drains, septic systems, community sewer systems, water systems or other drainage systems including those that lead to rivers, streams and bays as a result of indoor cultivation of cannabis for personal use

¹⁵https://library.municode.com/ca/riverside_county/codes/code_of_ordinances?nodeId=TIT17ZO_CH17.302COCAAC#:~:text=T.,quality%20control%20board.

¹⁶ <https://humboldt.county.codes/Code/313-55#:~:text=55.1.8.15.for%20personal%20use>

SOLID WASTE

Solid waste concerns in the cannabis industry include the use of hazardous materials to grow and manufacture the product, surplus plant material, and recalled products. Surplus plant material and recalled products should be rendered unusable to ensure that the waste will not end up in the illicit market or be accessible to minors. These example ordinances specifically refer to cannabis waste from businesses, however, counties may consider similar language to include home grown cannabis plants. Denver has published a best practice guide on waste management and diversion of cannabis products. The state of Montana has also developed a Cannabis Waste Guidance document.

For additional resources, Oregon has created a [Marijuana Waste Management](#) document as a guide for non-mandatory marijuana waste management and disposal and Maryland has created [a Green Waste Disposal Procedure for Licensed Dispensaries](#).

West Wendover, Nevada¹⁷

3-10-28: DISPOSAL OF RECREATIONAL CANNABIS WASTE:

- A. Disposal of waste of the cannabis establishment must meet all State and Federal guidelines. Waste must be maintained in a secure location until removal from the location. All waste must be deposited at the disposal site operated by the City or its authorized contractor.
- B. Cannabis and any waste including wastewater must be stored, secured and managed in accordance with applicable State Statutes and regulations and with a State approved disposal plan which must be provided to the City. A cannabis establishment must dispose of cannabis that is not usable cannabis within ten (10) calendar days of expiration of use. Cannabis waste must be made unusable prior to leaving a licensed cannabis facility.
 1. Wastes that must be rendered unusable prior to disposal include, but are not limited to:
 - a. Cannabis plant waste, including roots, stalks, leaves, and stems that have not been processed with solvent.
 - b. Solid cannabis sample plant waste possessed by third party laboratories certified by the State regulating authority for quality assurance that must be disposed of.
 2. The allowable method to render cannabis plant waste unusable is by grinding and incorporating the cannabis plant waste with non-consumable solid waste or other ground materials so the resulting mixture is at least fifty percent (50%) non-cannabis waste by volume. Other methods to render cannabis waste unusable must be approved by the State regulating authority before implementing.
 3. Cannabis waste rendered unusable following an approved method in the facility disposal plan may be delivered to a franchised or licensed solid waste facility for final disposition.
 4. Disposal cannot include cannabis products including plant material entering the City wastewater collection system, storm drain system or any unsecure rubbish disposal system.

¹⁷https://codelibrary.amlegal.com/codes/westwendovernv/latest/westwendover_nv/0-0-0-2546

5. A cannabis establishment shall not transfer, share, give, sell or deliver any unused cannabis in the establishment's possession to any other person, regardless of whether they are licensed as a cannabis establishment.

A cannabis establishment shall not dispose of cannabis in any manner other than permitted under this chapter. (Ord. 2018-03, 12-18-2018; amd. Ord. 2021-03, 10-19-2021)

*Chelan County, Washington*¹⁸

11.100.060

(10) **Waste Disposal Plan.** All fertilizers, chemicals, gases, and hazardous materials shall be handled in compliance with all applicable local, state and federal regulations. No fertilizers, chemicals, gases or hazardous materials shall be allowed to enter an on-site septic system, sanitary sewer or storm sewer system, nor be released into atmosphere where the facility is located. Waste materials generated from any facility must be disposed of in accordance with the operating plan filed as part of a cannabis license application and consistent with all applicable federal, state and local regulations.

¹⁸ <https://www.codepublishing.com/WA/ChelanCounty/#!/Chelco11/Chelco11100.html#11.100>

OTHER AREAS FOR CONSIDERATION OF TIME, PLACE AND NEW RESTRICTIONS

Cannabis businesses impact other essential community services that are typically outside of county policy making in Minnesota, specifically energy and water use. Local governments in other states have adopted provisions to mitigate cannabis businesses from overwhelming the local grid or impacting a community's water table, which could be something Minnesota counties review during their ordinance process. Minnesota counties may also just comment to the State on pending applications and note that these are areas of concern and should be considered when the State reviews permit applications.

Energy Use

Indoor cannabis cultivation facilities use significant energy in operating lights and HVAC and irrigation systems. The average indoor cultivation facility is typically 10,000 – 20,000 and will likely consume a range of 1MW to 2.5MW. This energy consumption is about the same amount of power used by 2-6 major big box or grocery stores. Some jurisdictions in other states have placed restrictions on energy use to prevent undue strain on the system. This type of regulation is uncommon in Minnesota counties; however, it may be of use for counties to consult with utilities in their communities on any electrical grid concerns for locations and densities of indoor cultivation facilities.

Below is an example of energy use regulations implemented in a jurisdiction in another state. This example is not a recommendation but illustrates how one county decided to address its concerns around energy use.

*Humboldt County, California*¹⁹

55.4.12.5 Performance Standards for Energy Use. All electricity sources utilized by commercial cannabis cultivation, manufacturing, or processing activities shall conform to one (1) or more of the following standards:

55.4.12.5.1 Grid power supplied from one hundred percent (100%) renewable source.

55.4.12.5.2 On-site renewable energy system with up to twenty percent (20%) net nonrenewable energy use.

55.4.12.5.3 Grid power supplied by partial or wholly nonrenewable source with purchase of carbon offset credits.

Purchase of carbon offset credits (for grid power procured from nonrenewable producers) may only be made from reputable sources, including those found on offset project registries managed by the California Air Resources Board, or similar sources and programs determined to provide bona fide offsets recognized by relevant State regulatory agencies.

¹⁹ <https://humboldt.county.codes/Code/313-55#:~:text=313%2D55.4.5.3-.55.4.12.5,Performance%20Standards%20for%20Energy%20Use.-All%20electricity%20sources>

Water Use

Cannabis is a water-intensive plant resulting in high water use by indoor cannabis cultivation facilities that do not allow for exposure to rain. Some jurisdictions in other states decided to place restrictions on water use to prevent undue strain on the water table. This type of regulation is uncommon in Minnesota counties, however, it may be of use for counties to consult with the state on any water use concerns for locations and densities of indoor cultivation facilities. Counties may consider reducing the density around other water-heavy operations or encourage businesses to adopt water efficient designs for recycling.

Below are examples of water use regulations implemented in jurisdictions in other states. These examples are not recommendations, but illustrates how counties decided to address their concerns around water use.

El Dorado County, California²⁰

Ordinance NO. 5111

- E. Water source. Indoor cultivation of commercial cannabis may only be permitted if sufficient evidence submitted to the County demonstrates: (1) there is adequate water supply in the watershed and water rights to serve the cultivation site; and (2) all required state permits from the State Water Resources Control Board and any other state agency with jurisdiction. The premises where the cultivation of cannabis takes place shall either be connected to a public water supply or have a County inspected and approved private water source. Cultivation of cannabis shall not utilize water that has been or is illegally diverted from any spring, wetland, stream, creek, river, lake, underground well, or body of water.
- F. Water conservation measures. Cannabis cultivation operations shall include adequate measures that minimize the use of water for cultivation at the site. Water conservation measures, water capture systems, grey water systems, or other equally effective water conservation measures shall be incorporated into the cultivation operations in order to minimize the use of water where feasible.

California City, California²¹

All applicants for a cannabis cultivation permit shall submit the following in addition to the information generally otherwise required for a cannabis business:

- (1) A cultivation and operations plan that meets or exceeds minimum legal standards for water usage, conservation and use; drainage, runoff, and erosion control; watershed and habitat protection; and proper storage of fertilizers, pesticides, and other regulated products to be used on the parcel, and a description of the cultivation activities (indoor, mixed-light) and schedule of activities during each month of growing and harvesting, or explanation of growth cycles and anticipated harvesting schedules for all-season harvesting (indoor, mixed-light).
- (2) A description of a legal water source, irrigation plan, and projected water use.
- (3) Identification of the source of electrical power and plan for compliance with applicable Building Codes and related codes.
- (4) Plan for addressing odor and other public nuisances which may derive from the cultivation site.

²⁰https://library.municode.com/CA/El_Dorado_County/ordinances/code_of_ordinances?nodeId=979297

²¹https://library.municode.com/ca/california_city/codes/code_of_ordinances?nodeId=COOR_TIT5PUWE_CH6RECAREBUAC_ART9OPREALCABUPEUNCH_S5-6.902SEME#:~:text=All%20applicants%20for,the%20cultivation%20site.

TEMPORARY CANNABIS EVENTS

Under [MN Statutes 2023 Sec. 342.39 Subd. 2](#), a cannabis event organizer license entitles the license holder to organize a temporary cannabis event lasting no more than four days. Any individual or business seeking to obtain a cannabis event license must provide the Office of Cannabis Management 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. **Below are a few examples of temporary event license regulations implemented in jurisdictions in other states.** These examples are not recommendations, but language the county can consider while deliberating what is best in their community. Counties should consult with legal counsel prior to adopting an ordinance.

Riverside County, California²²

17.302.250 Temporary cannabis event.

- A. Requirements for approval. The planning director shall approve an application for a temporary cannabis event permit if all of the following are met:
1. The temporary cannabis event will take place on county fair property or district agricultural association property.
 2. The temporary cannabis event is not located within one thousand (1,000) feet from any child day care center, K-12 school, public park, or youth center. Distance shall be measured from the nearest point of the respective lot lines using a direct straight-line measurement.
 3. The temporary cannabis event will not occur during the hours of 12:00 a.m. to 6:00 a.m.
 4. The temporary cannabis event is setback a minimum of one hundred (100) feet from lot lines.
 5. The sale of cannabis products shall be performed by a cannabis retailer or cannabis microbusiness that possesses both an approved conditional use permit and a valid cannabis license from the state, which shall be included in the permit application.
 6. The sale or consumption of alcohol or tobacco is not allowed at the location of the temporary cannabis event.
 7. The event organizer for the temporary cannabis will obtain a valid state event organizer license authorizing the retail sale of cannabis goods and the temporary cannabis event.
 8. Access to the area(s) where sale or consumption of cannabis occurs is restricted to persons 21 years of age or older.
 9. Cannabis consumption is not visible from any public place or non-age-restricted area.
 10. Security shall be present at the temporary cannabis event.

²²https://library.municode.com/ca/riverside_county/codes/code_of_ordinances?nodeId=TIT17ZO_CH17.302COCAAC_17.302.250TECAEV

11. A condition of approval shall be applied to all temporary cannabis event permits requiring the event organizer to obtain a valid state license as an event organizer and for the temporary event at least ten (10) calendar days before the event's first day. If this condition of approval is not met, the temporary cannabis event permit becomes null and void.
- a. Application. No less than one hundred twenty (120) days from the event's first day, an event organizer shall apply for and obtain a temporary cannabis event permit in accordance with Chapter 17.216 of this title. All the procedural provisions of Chapter 17.216 shall apply to the application, except Section 17.216.040 thereof relating to requirements for approval, Section 17.216.060 thereof relating to appeals and Section 17.216.070 thereof relating to the use of the permit after the application is approved.
 - b. Revocation. A temporary cannabis event permit may be revoked pursuant to and in accordance with Section 17.302.260 of this chapter.

(Ord. No. 348.4898, § 9, 10-23-2018)

*Trinity County, California*²³

5.25.020 Permit requirements.

- A. Anyone who desires to hold a public event that allows sales and/or consumption (hereafter "Cannabis Event") must obtain a cannabis event organizer's license by the Bureau of Cannabis Control and Trinity County Cannabis Event License. Proof of valid state license is required to be issued a Trinity County Cannabis Event License.
- B. Cannabis events can only be held at the Trinity County Fairground.
- C. Applicants must apply for and be granted permission to hold the event by Trinity County Fairground Board of Directors. Proof of fairground board of directors permission must be provided with the initial application.
- D. The cannabis event can last up to a maximum of four days.
- E. The cannabis event organizer is not authorized to cultivate, distribute, manufacture, or sell cannabis or cannabis products unless the organizer also holds a separate license to engage in such commercial cannabis activities.
- F. All cannabis events must comply with California Bureau of Cannabis Control Regulations Title 16, Division 42 Chapter 5 § 5600, et seq., and all California Regulations adopted thereafter.
- G. In order to obtain a Trinity County Cannabis Event License, the applicant must submit the following to the county:
 - 1. Cannabis event organizer's license issued by the bureau of cannabis control.
 - 2. Pay a non-refundable fee of \$25.
 - 3. Written permission from the fairground board of directors.
- H. Application for a cannabis event shall be filed with the county no later than thirty days before the event. State approval for the cannabis event shall be received by the county no later than seven days before the start date of the event.

²³https://library.municode.com/ca/trinity_county/codes/code_of_ordinances?nodeId=TIT5BUTALIRE_CH5.25CAEV_5.25.020P_ERE

- I. All licensed vendors scheduled to be at the cannabis event must be disclosed and proof of their current state license must be provided prior to the commencement of the event.
- J. Trinity County Sheriff's Department and staff shall be granted entry into the event including area not open to the general public.
- K. The cannabis event shall not grant access to any person under the age of twenty-one years of age. No consumption of cannabis shall be allowed outside the confined area containing the event.
- L. Consumption of alcohol or tobacco shall not be allowed at the cannabis event.
- M. The outdoor festival Sections 5.20.150 through 5.20.290 with the exemption of Section 5.20.260 shall be enforced and incorporated herein.
- N. The Applicant shall comply with the provisions of this code and any provisions set forth by the Trinity County Fairground Board of Directors.

(Ord. No. 1346 , § 1, 2-20-19)

APPENDIX A - DEFINITIONS

Cannabis Business Definitions

Cannabis microbusiness. Under Article 1, Section 28, a cannabis microbusiness may grow cannabis plants, make cannabis concentrate, make hemp concentrate, manufacture artificially derived cannabinoids, manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp derived consumer products for public consumption, purchase hemp or hemp concentrate parts, package and label cannabis and hemp products, and sell cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp products, and hemp-derived consumer products.

A cannabis microbusiness that cultivates cannabis at an indoor facility may cultivate up to 5,000 square feet of plant canopy. A cannabis microbusiness that cultivates cannabis at an outdoor location may cultivate up to one-half acre of mature, flowering plants unless the office increases that limit. A cannabis microbusiness with the appropriate endorsement may operate one retail location.

A cannabis microbusiness may permit on-site consumption of edible cannabis products and lower-potency hemp edibles on a portion of its premises. Cannabis microbusiness must ensure that the display and consumption of any edible product or lower-potency hemp edible is not visible from outside the licensed premises of the business.

Cannabis mezzo business. Under Article 1, Section 29, a cannabis mezzo business may grow cannabis from seed or immature plant for cannabis products or medical cannabis flower, make cannabis and hemp concentrate, manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption, process medical cannabinoid products, sell immature cannabis plants and seedlings, and purchase cannabis concentrate, hemp concentrate, and synthetically derived cannabinoids from another cannabis business.

A cannabis mezzo business that cultivates cannabis at an indoor facility may cultivate up to 15,000 square feet of plant canopy. A cannabis mezzo business that cultivates cannabis at an outdoor location may cultivate up to one acre of mature, flowering plants unless the office increases the limit.

Cannabis cultivator. Under Article 1, Section 30, a cannabis cultivator can grow cannabis plants within the approved amount of space from seed to immature plant to mature plant, harvest cannabis flower, package and label immature cannabis plants and seedlings and cannabis flower, and transport cannabis flower to cannabis manufacturers.

Cannabis manufacturer. Under Article 1, Section 31, a cannabis manufacturer may purchase cannabis flower, cannabis products hemp plant parts, hemp concentrate, and artificially derived cannabinoids from a cannabis business, purchase hemp plants and hemp concentrates, make cannabis hemp concentrate, manufacture artificially derived cannabinoids, manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp derived consumer products, and sell cannabis concentrate, hemp concentrate, artificially derived cannabinoids, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to other cannabis businesses.

Cannabis retailer. Under Article 1, Section 31, a cannabis retailer may purchase immature cannabis plants and seedlings, cannabis flower, cannabis products, and lower-potency hemp products, from cannabis businesses, and sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to customers.

Cannabis wholesaler. Under Article 1, Section 33, a cannabis wholesaler may purchase immature cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from cannabis businesses, and purchase hemp plant parts and hemp concentrates. Cannabis wholesalers may sell immature cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to cannabis microbusinesses, cannabis mezzo businesses, cannabis manufacturers, and cannabis retailers, sell lower-potency hemp edibles to lower-potency-hemp edible retailers, and import hemp-derived consumer products and lower-potency hemp edibles that contain hemp concentrate or artificially derived cannabinoids.

Cannabis transporter. Under Article 1, Section 35, a cannabis transporter may transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzo businesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, lower-potency hemp edible manufacturers, medical cannabis retailers, medical cannabis processors, and industrial hemp growers to cannabis microbusinesses, cannabis mezzo businesses, cannabis manufacturers, cannabis testing facilities, cannabis wholesalers, cannabis retailers, lower-potency hemp edible retailers, medical cannabis processors, medical cannabis retailers, and medical cannabis combination businesses and perform other actions approved by the office.

Cannabis testing facility. Under Article 1, Section 37, a cannabis testing facility may obtain and test immature cannabis plants and seedlings, cannabis flower, cannabis products, hemp plant parts, hemp concentrate, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzo businesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, lower-potency hemp edible manufacturers, medical cannabis cultivators, medical cannabis processors, medical cannabis combination businesses, and industrial hemp growers.

Cannabis event organizer. Under Article 1, Section 39, a cannabis event organizer may organize a temporary cannabis event lasting no more than four days. A cannabis event organizer must receive local approval, including obtaining any necessary permits or licenses issue by a local unit of government before holding a cannabis event. If approved by the local unit of government, a cannabis event may designate an area for consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or any combination of those items.

Cannabis delivery service. Under Article 1, Section 41, a cannabis delivery service may purchase cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from licensed cannabis microbusinesses with a retail endorsement, cannabis mezzo businesses with a retail endorsement, cannabis retailers, medical cannabis retailers, and medical cannabis combination businesses; transport and deliver cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumable products to customers; and perform other actions approved by the office.

Prior to completing a delivery, a cannabis delivery service must verify that the customer is at least 21 years of age or is enrolled in the registry program. The office shall establish limits on the amount of cannabis and hemp products that a cannabis delivery service may transport. Cannabis and hemp must be stored in a locked, sage, and secure storage compartment that is part of the cannabis delivery vehicle.

Medical cannabis cultivator. Under Article 1, Section 49, a medical cannabis cultivator may grow cannabis plants within the approved amount of space (60,000 square feet of plant canopy) from seed or immature plant, harvest cannabis flower from a mature plant, package and label cannabis flower as medical cannabis flower, sell medical cannabis flower to medical cannabis processors and medical cannabis retailers, transport medical cannabis flower to a medical cannabis processor located on the same premises, and perform other actions approved by the office.

A medical cannabis cultivator must verify that every batch of medical cannabis flower has passed safety, potency, and consistency testing at a cannabis testing facility approved by the office for testing of medical cannabis flower before the medical cannabis cultivator may package, label, or sell the medical cannabis flower to any other entity.

Medical cannabis processor. Under Article 1, Section 50, a medical cannabis processor may purchase medical cannabis flower, medical cannabinoid products, hemp plant parts, and hemp concentrate from medical cannabis cultivators and other medical cannabis processors, purchase hemp plant parts from industrial hemp growers, make cannabis and hemp concentrate from medical cannabis flower, manufacture medical cannabinoid products, package and label medical cannabinoid products for sale to other medical cannabis processors and to medical cannabis retailers.

A medical cannabis processor must verify that every batch of medical cannabis flower has passed safety, potency, and consistency testing at a cannabis testing facility approved by the office for testing of medical cannabis flower before the medical cannabis cultivator may package, label, or sell the medical cannabis flower to any other entity.

Medical cannabis retailer. Under Article 1, Section 51, medical cannabis retailers may purchase medical cannabis flower and medical cannabinoid products from medical cannabis cultivators and medical cannabis processors and sell or distribute medical cannabis flower and medical cannabinoid products to any person authorized to receive medical cannabis flower or medical cannabinoid products.

Medical cannabis combination business. Under Article 1, Section 52, a medical cannabis combination business may grow cannabis plants from seed to immature plant to mature plant and harvest adult-use cannabis flower and medical cannabis flower from a mature plant, make cannabis concentrate, make cannabis and hemp concentrate, manufacture artificially derived cannabinoids, manufacture medical cannabinoid products, package and label medical cannabis and medical cannabinoid products for sale to medical cannabis processors, medical cannabis retailers, other medical cannabis combination businesses, and patients enrolled in the registry program, registered caregivers, and parents, legal guardians, and spouses of an enrolled patient.

Hemp Businesses Definitions

Lower-potency hemp edible manufacturer. Under Article 1, Section 45, a lower-potency hemp edible manufacturer may purchase hemp plant parts, hemp concentrate, and artificially derived cannabinoids from cannabis microbusiness, cannabis mezzo businesses, cannabis manufacturers, cannabis wholesalers, and lower-potency edible hemp edible manufacturers. Lower-potency hemp edible manufacturers may also purchase hemp parts and hemp concentrate, make hemp concentrate, manufacture artificially derived cannabinoids, manufacture lower-potency hemp edibles for public consumption, package and label lower potency hemp edibles, and sell hemp concentrate, artificially derived cannabinoids, and lower-potency hemp edibles to other cannabis businesses and hemp businesses.

Lower-potency hemp edible retailer. Under Article 1, Section 46, a lower-potency hemp edible retailer may only sell lower-potency hemp edibles to individuals who are at least 21 years of age. A lower-potency hemp edible retailer may sell lower-potency hemp edibles that are obtained from a licensed Minnesota cannabis microbusiness, cannabis mezzo business, cannabis manufacturer, cannabis wholesaler, or lower-potency hemp edible manufacturer, and meet all applicable packaging and labeling requirements.

APPENDIX B - SCENARIOS

Below are four scenarios illustrating how the registration per 12,500 residents provision may impact your county.

Scenario 1: The county and all of its cities and towns but one want to limit retail registrations to one per 12,500 residents.

- Gopher County has 20,000 residents. There are 7 cities and towns in Gopher County, they will be referred to City A, City B, City C, etc., all of them are under 12,500 residents.
- Gopher County wants to limit registrations to the maximum required number, which is two for its population. The county must adopt an ordinance establishing that limit in order to enforce it.
- City A wants to limit retail registrations to the minimum, so it passes an ordinance limiting retail registrations to one, which meets the one per 12,500 residents law. City B wants to allow as many retail businesses as possible, and the remaining cities and towns do not want to register retail businesses, so they delegate the responsibility to Gopher County.
- If a retail cannabis business seeks to locate in City A, it must be allowed if the business meets local regulations. If a second business seeks to locate in City A, the city may prohibit its establishment based on its ordinance limiting the number of registrations. The second business can establish anywhere else in the county where it meets local regulations. The second business decides to locate in City C and registers with Gopher County. Gopher County nor City C may prohibit the registration of the business in its desired location unless it violates local regulations.
- Now that Gopher County has met its two required registered businesses, it may prohibit the establishment of additional retail businesses in areas where the county controls registration. This includes unincorporated land and the cities and towns that delegated registration authority to the county. However, City B did not adopt an ordinance limiting retail nor delegate its registration authority to Gopher County so if a third business seeks to establish in City B, the city may allow it. City B may continue to register as many retail businesses as it wants to and is allowed by their local ordinances. City B may also decide to not register additional businesses since the county has met its one

registration per 12,500 residents. To prevent issues, City B should pass something in local ordinance (this could be linked to market demand) since discretionary registration could be problematic.

Scenario 2: A county chooses not to adopt an ordinance limiting retail registrations based on population, but one of its cities passes the ordinance.

- Bulldog County has 36,000 residents. There are 11 cities and towns in Bulldog County, they will be referred to City A, City B, City C, etc., all of them are under 12,500 residents.
- City A wants to limit retail registrations to a minimum, so it passes an ordinance limiting retail registrations to one, which meets the one per 12,500 residents law. The remaining cities and towns do not want to register retail businesses, so they delegate the authority to Bulldog County.
- Bulldog County does not adopt an ordinance limiting retail business registration to one per 12,500 residents. Cannabis retail businesses seeking to locate in Bulldog County will receive a registration in the land area the county has registration authority over as long as they meet local regulations. This includes unincorporated land and the cities and towns that delegated registration authority to the county.
- If a retail cannabis business seeks to locate in City A, it must be allowed if the business meets local regulations. If a second business seeks to locate in City A, the city may prohibit its establishment based on its ordinance limiting the number of registrations to one per 12,500. The second business can establish anywhere else in the county where it meets local regulations. The second business establishes in City C which has delegated its registration authority to Bulldog County.
- Two more cannabis retail businesses seek to locate in City C. Bulldog County must register the businesses as long as they meet other local regulations. Since City C has delegated its registration authority to Bulldog County and the county does not have an ordinance limiting the number of retail registrations, the county must continue to allow the registration of retail businesses in City C and other locations in the county except for City A as long as the businesses meet local regulations.

Scenario 3: A county, city, or town wants to set a limit on the number of registered retail businesses and the majority of the population of the county resides in one city.

- Raptor County has 24,000 residents. There are 5 cities and towns in Raptor County, they will be referred to City A, City B, City C, etc., all of them are under 12,500 residents except for City A which has 13,000 residents.
- Raptor County wants to limit registrations to the maximum required number, which is two for its population. The county must adopt an ordinance establishing that limit in order to enforce it.
- City A wants to limit retail registrations to the minimum, so it passes an ordinance limiting retail registrations to two, which meets the one per 12,500 residents law. City A maintains its registration authority, but the other cities delegate the authority to Raptor County.
- If a retail cannabis business seeks to locate in City A, it must be allowed if the business meets local regulations. If a second business seeks to locate in City B, Raptor County and City B may must register it unless it violates local regulations.
- If another retail business seeks to locate in City A, the city may prohibit it because Raptor County has met its two required registered businesses. Even though City A's population requires two businesses, if the county meets the requirements, the statute allows City A to decline additional registrations. If Raptor County has met their required two business registrations and City A no longer wishes to accept registrations, they should pass or include language in their local ordinance (this could be linked to market demand) since discretionary registration could be problematic.

Scenario 4: A county, city, or town does not choose to adopt an ordinance limiting retail registrations, and instead creates robust time, place, and manner zoning regulations that limit, but not entirely prohibit, retail businesses.

- If a county, city, or town does not wish to limit the number or retail registrations based on population, the local jurisdiction may still consider creating time, place, and manner regulations to promote the public health and safety of the community.