

**ORDINANCE NO. 43, 4th SERIES**

**AN ORDINANCE OF THE CITY OF EAST GRAND FORKS, MINNESOTA, AMENDING CITY CODE TITLE XI, BY ADDING CHAPTER 120, AN ORDINANCE TO REGULATE CANNABIS AND LOWER-POTENCY HEMP EDIBLE BUSINESSES AND AUTHORIZING CHAPTER 152 ZONING DISTRICTS TO THE LAND USAGE TITLE XV TO OPERATE THE BUSINESSES WITHIN THE CITY OF EAST GRAND FORKS AND BY ADOPTING BY REFERENCE CITY CODE CHAPTER 10 AND SECTION 10.99 WHICH, AMONG OTHER THINGS, CONTAIN PENALTY PROVISIONS.**

**THE CITY OF EAST GRAND FORKS DOES ORDAIN AS FOLLOWS:**

**SECTION 1:** The East Grand Forks City Code is amended to include the following:

**SECTION 120.01. STATEMENT OF PURPOSE.**

A. Findings and Purpose.

The city of East Grand Forks makes the following legislative findings:

The purpose of this ordinance is to implement the provisions of Minnesota Statutes, chapter 342, which authorizes the city of East Grand Forks to protect the public health, safety, welfare of the city of East Grand Forks residents by regulating cannabis businesses within the legal boundaries of the city of East Grand Forks.

The city of East Grand Forks finds and concludes that the proposed provisions are appropriate and lawful land use regulations for the city of East Grand Forks, that the proposed amendments will promote the community's interest in reasonable stability in zoning for now and in the future, and that the proposed provisions are in the public interest and for the public good.

**SECTION 120.02 GENERAL PROVISIONS.**

A. Authority & Jurisdiction.

The city of East Grand Forks has the authority to adopt this ordinance pursuant to:

1. 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.

2. Minn. Stat. 342.22, regarding the local registration and enforcement requirements of state-licensed cannabis retail businesses and lower-potency hemp edible retail businesses.

3. Minn. Stat. 152.0263, Subd. 5, regarding the use of cannabis in public places.

4. Minn. Stat. 462.357, regarding the authority of a local authority to adopt zoning ordinances.

B. 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.

C. Public Nuisance Declared

A violation of this Ordinance and State law concerning retail of cannabis, hemp, or products containing cannabis or hemp are hereby declared to constitute public nuisances. All rights and remedies accruing to the city of East Grand Forks, at law or in equity, in preventing and abating public nuisances accrue with respect to violations occurring hereunder.

D. Enforcement.

The City Administrator, designated officials, and the East Grand Forks Police are 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 a permit is required for a regulated activity listed in this ordinance.

E. 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. See also **SECTION 130.08 PROHIBITION OF USE OF CANNABIS PRODUCTS IN PUBLIC PLACE** in the City code.

**SECTION 120.03 DEFINITIONS.**

A. 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.

1. Approved products. Any cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, and lower-potency hemp edibles that are a product category approved by the Office of Cannabis Management and that comply with Chapter 342 and rules adopted pursuant to Chapter 342 regarding testing, packaging, and labeling of cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoid products, as defined in Minn.Stat.Ch.342.

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, excluding lower-potency hemp edible retailers.
4. Cannabis Retailer: Any person, partnership, firm, corporation, or association, foreign or domestic, selling cannabis products 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. Delivery sale: The sale of any approved products and medical cannabinoid products to any person for personal consumption and not for resale when the sale is conducted by means other than in-person, over-the-counter sales transaction in a registered retail establishment. Delivery sale includes but is not limited to the sale of any approved product and medical cannabinoid product when the sale is conducted by telephone, other voice transmission, mail, internet, or app-based service. Delivery sale includes delivery by registered retail establishments or third parties by any means, including curbside pickup.
7. Lower-potency Hemp Edible: As defined under Minn. Stat. 342.01 subd. 50.
8. Lower-potency hemp edible retailer. Any place of business with a preapproved license, license, or endorsement to sell lower-potency hemp edible products to the public from the Office of Cannabis Management and that has a lower-potency hemp retail registration from the city.
9. Medical Cannabinoid product. "Medical Cannabinoid product" as defined in Minn. Stat. 342.01, subd. 52, as amended from time to time.
10. Medical cannabis combination business. "Medical Cannabis combination business" as described in Minn. Stat. 342.515, as amended from time to time.
11. Office of Cannabis Management: Minnesota Office of Cannabis Management, referred to as "OCM" in this ordinance.

12. 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.
13. Preliminary License Approval: OCM pre-approval for a cannabis business license for applicants who qualify under Minn. Stat. 342.17.
14. Public Place: A public park or trail, public street, parking lot 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.
15. Registered cannabis retail business. Any cannabis business with a preapproved license, license, or endorsement from the Office of Cannabis Management for retail sales of approved products or medical cannabinoid products and that has a retail registration from a local unit of government.
16. Registered retail establishment. Refers to registered cannabis retail businesses, medical cannabis combination business with retail sales, and lower-potency hemp edible retailers.
17. Residential Treatment Facility: As defined under Minn. Stat. 245.462 subd. 23.
18. Retail establishment. Any place of business where products are available for sale to the general public. "Retail establishment" includes but is not limited to, grocery stores, tobacco product shops, convenience stores, liquor stores, gasoline service stations, bars, restaurants.
19. Retail Registration: An approved registration issued by the city of East Grand Forks to a state-licensed Registered Retail Establishment.
20. 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.
21. State License: An approved license issued by the State of Minnesota's Office of Cannabis Management to a cannabis retail business or Lower-potency hemp edible business.

**SECTION 120.04. REGISTRATION AND OPERATION OF REGISTERED RETAILERS.**

A. License required.

No individual or entity may sell or offer to sell any approved product or medical cannabinoid product without first having obtained a license or retail endorsement to do so from the Office of Cannabis Management.

B. Registration Required.

No person shall sell or offer to sell any approved product or medical cannabinoid product without first being granted a registration by the city. Operating a retail establishment is a violation of this Ordinance and of Minn. Stat. 342.22, subd. 5(e ) and is subject to a civil penalty of up to \$2,000 for each violation.

C. Compliance Checks Prior to Retail Registration.

Prior to issuance of a cannabis retail business registration, the city of East Grand Forks may 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, The city of East Grand Forks 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.

D. Registration & Application Procedure.

1. Fees.

a. A registration fee, as established in the city of East Grand Forks's fee schedule, shall be charged to applicants depending on the type of retail business license applied for.

b. 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.

c. Any renewal retail registration fee imposed by The city of East Grand Forks shall be charged at the time of the second renewal and each subsequent renewal thereafter.

d. 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.

e. 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.

E. Application Submittal.

The city of East Grand Forks shall issue a retail registration to a state-licensed registered retailer that adheres to the requirements of Minn. Stat. 342.22.

1. An applicant for a retail registration shall fill out an Application form, as provided by the city of East Grand Forks. Said form shall include, but is not limited to:

- a. Full name of the property owner and applicant;
- b. Address, email address, and telephone number of the applicant;
- c. The address and parcel ID for the property which the retail registration is sought;
- d. Certification that the applicant complies with the requirements of local ordinances established pursuant to Minn. Stat. 342.13.

2. The applicant shall include with the form:

- a. the registration fee as required in D 1 above in this section;
- b. a copy of a valid state license or valid state ID; and
- c. written notice of OCM license preapproval.

3. Once an application is considered complete, the City Clerk shall inform the applicant as such, process the registration fees, and forward the application to the City Council for approval or denial.

4. The registration fee shall be non-refundable once processed.

F. Application Approval.

1. A state-licensed cannabis retail business application shall not be approved if the cannabis retail business would exceed the maximum number of registered cannabis retail businesses permitted under Section 120.05 paragraph J , subd. 5 below. The approval is on a first come, first served basis. If multiple applications are presented the City will have a lottery to determine the approved application.

2. A state-licensed Registered Retailer application shall not be approved or renewed if the applicant is unable to meet the requirements of this ordinance.

3. A state-licensed Registered Retailer application shall not be approved if it is not current on all property taxes and assessments at the location where the business is located.

**SECTION 120.05. INSPECTION, RESPONSIBILITY, PERMITS AND LICENSES.**

A. Inspection Requirements. Every license holder in Minnesota is required to follow and comply with inspection requirements imposed by state law or regulations. In addition, every registered retail establishment shall allow any peace officer, health officer, or properly designated officer or employee of the County at all reasonable hours to enter the business premises to inspect the premises for the purpose of determining compliance with the provisions of State law and this Ordinance.

B. The city of East Grand Forks shall complete at minimum one compliance check per calendar year of every Registered Retail establishment 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 ordinances.

C. The city of East Grand Forks 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.

D. License Holder Responsibility.

Every Registered Retailer and Cannabis Event Organizer License holder is responsible for conduct on the licensed or permitted premises and any sale of cannabis, hemp, or products containing cannabis or hemp by an employee is the act of the License holder for the purposes of all provisions of this Ordinance.

E. Permits and License Required.

No person, business, nor any other entity shall sell, offer to sell, or possess with intent to sell any cannabis, hemp, or any product containing cannabis or hemp without having first obtained the necessary permits and license to do so.

F. Location Change.

If a state-licensed Registered Retailer seeks to move to a new location still within the legal boundaries of the city of East Grand Forks, it shall notify the city of East Grand Forks of the proposed location change and submit necessary information to meet all the criteria in this ordinance.

G. Renewal of Registration.

The city of East Grand Forks shall renew the annual registration of a state-licensed Registered Retail establishment at the same time OCM renews the business' license.

A state-licensed Registered Retail establishment shall apply to renew registration on a form established by the city of East Grand Forks.

A Registered Retail establishment registration issued under this ordinance shall not be transferred.

H. Renewal Fees.

The city of East Grand Forks may charge a renewal fee for the registration as established in the city of East Grand Forks's fee schedule.

I. Renewal Application.

The application for renewal of a retail registration shall include but is not limited to items required under Section 120.04 D of this Ordinance.

J. Suspension of Registration.

1. When Suspension is Warranted.

The city of East Grand Forks may suspend a Registered Retailer's registration if it violates the ordinance of the city of East Grand Forks or poses an immediate threat to the health or safety of the public. The city of East Grand Forks shall immediately notify the Registered Retailer in writing the grounds for the suspension.

2. Notification to OCM.

The city of East Grand Forks shall immediately notify the OCM in writing the grounds for the suspension. OCM will provide the city of East Grand Forks and Registered Retail establishment with a response to the complaint within seven calendar days and perform any necessary inspections within 30 calendar days.

3. Length of Suspension.

The suspension of a Registered Retail establishment's 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 city of East Grand Forks shall reinstate a registration if OCM determines that the violation(s) have been resolved.

The Civil penalty procedure is outlined in Section 120.10, Enforcement of this ordinance.

4. Civil Penalties.

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

5. Limiting of Registrations

**THE CITY OF EAST GRAND FORKS SHALL LIMIT THE NUMBER OF CANNABIS RETAIL BUSINESSES TO TWO (2). ONE (1) RETAIL BUSINESS IN THE C-1 DOWNTOWN COMMERCIAL DISTRICT AND ONE (1) RETAIL BUSINESS IN THE C-2 HIGHWAY COMMERCIAL DISTRICT.**

**THE CITY OF EAST GRAND FORKS HAS NO LIMIT TO THE NUMBER OF LOWER-POTENCY HEMP EDIBLE RETAIL LICENSED ESTABLISHMENTS, HOWEVER, THE ESTABLISHMENT MUST BE LOCATED IN A C-1 DOWNTOWN COMMERCIAL DISTRICT OR IN A C-2 HIGHWAY COMMERCIAL DISTRICT.**

**SECTION 120.06. REQUIREMENTS FOR REGISTERED RETAIL ESTABLISHMENTS**

A. Minimum Buffer Requirements

The city of East Grand Forks shall prohibit the operation of a Registered Retail establishment within 550 feet of a school and within 300 feet of a day care, residential treatment facility or park or playground, or athletic field. The buffer zone shall be measured by the shortest line from the property line of the space to be occupied by the proposed licensee to the nearest property line of the location eligible for minimum buffer requirements. Pursuant to Minn. Stat. 462.367 subd. 14, nothing this Section 6 shall prohibit an active Registered Retailer seeking registration from continuing operation at the same site if a school, daycare, residential treatment facility, or a public park moves within the minimum buffer zone. **THE MINIMUM BUFFER REQUIREMENTS DO NOT APPLY TO LOWER-POTENCY HEMP EDIBLE RETAIL LICENSED ESTABLISHMENTS.**

B. Zoning and Land Use

Cannabis related businesses and Lower potency hemp edible retail establishments are a permitted use in the zoning districts as designated in the following chart. Further the Cannabis business and Lower-potency hemp edible retailers must follow all the performance standards in the designated districts.

State of MN Business License Type	C-1 Downtown Commercial	C-2 Highway Commercial	L-1 Light Industrial	L-2 General Industrial
Microbusiness	Retail location only	Retail location only	Non-retail operations only	Non-retail operations only
Mezzobusiness	Retail location only	retail location only	Non-retail operations only	Non-retail operations only
Retailer	Yes	Yes	No	No
Medical Cannabis Retailer	Yes	Yes	No	No
Medical Cannabis Combination Business	Retail location only	Retail location only	Non-retail operations only	Non-retail operations only
Lower Potency Hemp Edible Retailer	Yes	Yes	No	No
Cultivator	No	No	Yes	Yes
Manufacturer	No	No	Yes	Yes
Wholesaler	No	No	Yes	Yes
Transporter	No	No	Yes	Yes
Testing Facility	No	No	Yes	Yes
Delivery Service	No	Yes	Yes	Yes
Low Potency Hemp Edible Manufacturer	No	No	Yes	Yes
Medical Cannabis Cultivator	No	No	Yes	Yes
Medical Cannabis Processor	No	No	Yes	Yes
Event Organizer	By Special Permit Only	By Special Permit Only	By Special Permit Only	By Special Permit Only

**ONLY INDOOR CULTIVATION IS ALLOWED IN THE CITY OF EAST GRAND FORKS; NO OUTDOOR GROWING OR CULTIVATION IS ALLOWED WITHIN THE CITY LIMITS EXCEPT FOR HOME CULTIVATION FOR PERSONAL USE PER MINNESOTA STATUTE § 342.09 SUBDIVISION 2.**

C. Hours of Operation.

Cannabis businesses are limited to retail sale of cannabis, cannabis flower, cannabis products, between the hours of 8:00 AM and 9:00 PM Monday through Saturday and 10:00 AM and 9:00 PM on Sundays. **THE LIMITATIONS OF THIS PARAGRAPH DO NOT APPLY TO MEDICAL CANNABIS COMBINATION BUSINESSES NOR TO LOWER-POTENCY HEMP EDIBLE RETAILERS.**

D. Advertising-Signs.

Registered Retail Establishments are required to follow all general provisions and performance standards of Chapter 152 of the Municipal Code regarding signage.

## **SECTION 120.07. RETAIL SALES REGULATIONS.**

### **A. Operational and Sales Regulations.**

Every licensee is required to follow and comply with all general operational requirements and prohibitions and retail sales laws and regulations for retail Cannabis businesses and Lower-potency hemp edibles imposed by the State of Minnesota. See Minnesota Statute sections 342.24 and 342.27. Any violation of the requirements of state law or agency rule pertaining to the retail sale of cannabis or hemp, or products containing cannabis or hemp, shall also constitute a violation of this Ordinance.

1. The following is a partial list of operational and sale violations for cannabis businesses with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products:

a. permitting an individual to consume cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products within its licensed premises unless the business is licensed to permit on-site consumption;

b. permitting an employee to consume cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products within its licensed premises; Except that it is not a violation to permit an employee who is in the Registry Program to consume medical cannabis flower and medical cannabinoid products. It is also not a violation for an employee to sample cannabis or hemp for quality control but may not do so while interacting with customers for at least three hours after sampling. Sampling by quality control employee is limited to three samples in a 24-hour period. All samples must be recorded in the statewide monitoring system, see Minnesota Statutes section 342.24 subd. 1(a)(b)(c) ;

c. failing to conspicuously mark all areas of entry to restricted areas within the licensed premises, see Minnesota Statutes section 342.24 subd. 3;

d. permitting any individual, other than an employee of OCM, a law enforcement officer or a worker hired by and escorted by cannabis business staff, or an employee of the cannabis business, to enter a restricted area within the licensed premises, see Minnesota Statutes section 342.24 subd. 3(1)(2)(3).

e. the retail area where customers are permitted may include a display area where a single sample of the cannabis flower and cannabis products available for sale are displayed and labeled. All other cannabis flower and cannabis products must be stored in the secure storage area. Samples of cannabis flower, cannabis products, lower-potency hemp edibles or hemp-derived consumer products which

are used for display may not be sold. See Minnesota Statutes section 342.27 subd. 5.

f. failing to post all notices required by the OCM, including but not limited to: (1) information on any product recalls; (2) a statement that operating a motor vehicle under the influence of intoxicating cannabinoids is illegal; and (3) a statement that cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products are only intended for consumption by individuals who are at least 21 years of age. See Minnesota Statutes section 342.27 subd. 6.

g. failing to maintain compliance with security requirements established by the OCM, 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. See Minnesota Statutes section 342.27 subd. 9.

h. failing to keep all lighting outside and inside the dispensary in good working order and sufficient wattage for security cameras. See Minnesota Statutes section 342.27 subd. 10.

i. failing to limit the acceptance of deliveries of cannabis flower, cannabis products, and hemp-derived consumer products in a limited access area. Deliveries may not be accepted through the public access areas unless otherwise approved by the OCM. See Minnesota Statutes section 342.27 subd. 11.

j. a cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products or a lower-potency hemp edible retail establishment, pursuant to Minnesota Statutes section 342.27 subd. 12, shall not:

1. Sell cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a person who is visibly intoxicated;
2. Knowingly sell more cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products than a customer is legally permitted to possess;
3. Give away immature cannabis plants or seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;
4. Operate a drive-through window;

5. Allow for the dispensing of cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in vending machines; or

6. Sell cannabis plants, cannabis flower, or cannabis products if the cannabis retailer knows that any required security or statewide monitoring systems are not operational.

B. Delivery Sales prohibited.

All sales of approved products and medical cannabinoid products must be conducted in person, in registered retail establishments, in over-the-counter sales transactions. **This does not prohibit sale of medical cannabinoid products by medical cannabis combination businesses by curbside pick-up as allowed in Minn. Stat. 342.51, subd. 5.**

C. Sales by any other means.

Sales by any other means, to any other person, or in any other manner or form prohibited by state or other local law, ordinance provision, or other regulation are prohibited.

#### **SECTION 120.08. EMPLOYEE TRAINING PROGRAM**

Upon recommendation of the OCM or the East Grand Forks Police Department, the City shall approve employee training programs for licensed retail establishments which sell cannabis, hemp, and products containing cannabis or hemp. An approved employee training program shall be designed to prevent violations of this Ordinance and specifically to prevent the sale to individuals under the age of 21. Participation in such programs shall be voluntary on the part of licensees. Nonetheless, in the event of a violation of this Ordinance, a licensee who can sufficiently demonstrate that such a program has been implemented in a given license or permit year shall be eligible for reduced penalties as provided in this Ordinance.

#### **SECTION 120.09. TEMPORARY CANNABIS EVENTS**

A. 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.

B. 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.

C. Permit Required for Temporary Cannabis Events.

1. Permit Required. No person shall hold a Temporary Cannabis Event without first having received a permit to do so provided in this chapter.

2. Registration & Application Procedure. A registration fee, as established in the city of East Grand Forks's fee schedule, shall be charged to applicants for Temporary Cannabis Events.

3. Application Submittal & Review. The city of East Grand Forks shall require an application for Temporary Cannabis Events.

a. An applicant for retail registration shall fill out an application form, as provided by the city of East Grand Forks. 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;

b. The applicant shall include with the form:

i. The application fee as required in Section 4 C;

ii. A copy of the OCM cannabis event license application, submitted pursuant to 342.39 subd. 2.

iii. A copy of the applicant's driver's license or qualifying state ID.

The application shall be submitted to the city of East Grand Forks City Clerk, or other designee for review. If the designee determines that a submitted application is incomplete, they shall return the application to the applicant with the notice of deficiencies.

D. Once an application is considered complete, the designee shall inform the applicant as such, process the application fees, and forward the application to the East Grand Forks City Council for approval or denial.

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

F. The application for a permit for a Temporary Cannabis Event shall meet the following standards:

1. No Temporary cannabis event shall be held on City owned property or public park within the City.

2. Smoking, vaping, or consumption of cannabis, or cannabinoid products, at a Temporary Cannabis Event is prohibited.

3. Temporary cannabis events shall only be held between the hours of 8:00 A.M. and 10:00 P.M.

G. A request for a Temporary Cannabis Event that does not meet the requirements of this Section shall be denied. The City of East Grand Forks shall notify the applicant of the standards not met and basis for denial.

## **SECTION 120.10 ENFORCEMENT**

### **A. Criminal Penalties for Violations.**

Any person who violates any of the provisions of this ordinance, or who fails or refuses to comply with the provisions of this ordinance shall be guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine not to exceed \$1,000 or by imprisonment for up to 90 days, or both.

### **B. Civil Remedies.**

In the event of a violation or threatened violation of this Ordinance, the city of East Grand Forks, in addition to other remedies, may initiate civil court actions or civil administrative proceedings to prevent, restrain, correct, or abate such violations or threatened violations. It shall be the duty of the City Attorney to review evidence of such violations, or threatened violations, and take such action as may be warranted and necessary.

### **C. Civil Penalties Procedure.**

#### **1. Notice of Violation(s).**

A Notice of Violation based upon known facts shall be served by the City upon the License holder by mail at the address provided by licensee in the license application or as otherwise provided by licensee. The notice shall include: “the Notice of Violation will be reported to the East Grand Forks City Council at its next regular meeting [provide date], which the licensee shall be required to attend. If the licensee appears and chooses to admit the violation(s) and voluntarily agrees to a penalty consistent with section 10.3. of this Ordinance, no hearing shall be required and the applicable penalty under section 10.3 as determined by the City Council shall be imposed, or the licensee may request an Administrative Hearing in writing, and a hearing date will be set.

#### **2. Hearing on Violation(s).**

If the License holder chooses to appeal the Notice of Violation(s), a hearing shall be scheduled and held before a Hearing Officer. The Hearing Officer shall keep a recorded record of the hearing. The Hearing Officers shall make written findings of fact and a decision following the hearing, and mail Notices of the Decision and right to review. Upon a determination that the allegations in the Notice of Violation(s) are unsubstantiated, the matter will be dismissed. Upon a finding that the allegations in the Notice of Violation(s)

are substantiated, the Hearing Officer shall also determine the penalty to be applied in accordance with the penalties set forth in section 120.10.3. a, b, or c of this Ordinance plus costs of the hearing. The decision of the Administrative Hearing Officer is final three (3) business days after mailing, unless review by the East Grand Forks City Council is timely sought by written notice post marked no later than three (3) business days. An appeal of Hearing Officer's decision may be made thereafter to the City Council.

3. Civil Penalties Pursuant to Minnesota Statutes section 342.22 subd. 5(e), and in accordance with this Ordinance.

A penalty of up to a \$2000 fine, license suspension for a minimum of 30 days may be imposed, or some combination thereof. Upon a finding that a violation of this Ordinance or of State law has occurred, and absent findings of aggravating, mitigating or extenuating circumstances, and in the absence of an approved employee training program, the following penalties shall apply plus costs of the hearing, unless mandatory penalty for sale without registration is required pursuant to section 10.3 or suspension is required pursuant to this Ordinance:

- a. For a first violation within a 48-month period, a \$1,000.00 civil penalty.
- b. For a second violation within a 48-month period, a \$2,000.00 civil penalty.
- c. For a third violation within a 48-month period, a 30-day license suspension and referral to the OCM.

Upon a finding of mitigating or extenuating circumstances, such as licensee demonstrating it has an approved training program for its employees for the current licensing year and the training has been provided to every employee involved in a violation, a penalty less than that outlined in this section of this Ordinance may be imposed. Upon a finding of aggravating circumstances, penalties more than those outlined in this section of this Ordinance may be imposed.

4. Fine for No Valid Registration.

No cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness with retail operation endorsement, cannabis retailer, medical cannabis retailer, medical cannabis combination business, or lower-potency hemp edible retailer may make any sale to a customer or patient without a valid retail registration. A \$2,000.00 civil penalty shall be imposed against the licensee for each violation of this provision.

5. Local Regulations Considered Grounds for License Revocation or Suspension or Civil Monetary Penalty.

In addition, violations of the following Ordinance provisions are also considered grounds for revocation or suspension of license or civil monetary penalty in accordance with this Ordinance:

- a. The licensee knowingly allowed or permitted illegal acts unrelated to the sale or consumption of cannabis, hemp, or products containing cannabis or hemp, on the licensed premises.
- b. The licensee had knowledge of illegal acts unrelated to the sale or consumption of cannabis, hemp, or products containing cannabis or hemp on the licensed premises but failed to report the same to law enforcement authorities.
- c. The licensee had knowledge of illegal acts unrelated to the sale or consumption of cannabis, hemp, or products containing cannabis or hemp on the licensed premises but failed or refused to cooperate fully with investigating law enforcement authorities.
- d. The activities of the licensee or acts allowed or permitted by the licensee on the licensed premises create a serious danger to public health, safety, or welfare.

**SECTION 2.** City Code Chapter 10 entitled "General Provisions" applicable to entire city code including penalty for violation and Section 10.99 entitled "General Penalty" are hereby adopted in their entirety, by reference, as though repeated verbatim herein.

**SECTION 3.** This ordinance shall take effect and be in force from and after its passage and publication and be given the Number 43, 4th Series.

*Voting Aye: Vetter, Pokrzywinski, Riopelle, Helms, Olstad, Larson, and Peterson.*

*Voting Nay: None.*

*Absent: None.*

ATTEST:

PASSED: December 3, 2024

\_\_\_\_\_  
City Administrator

\_\_\_\_\_  
President of Council

I hereby approve the foregoing Ordinance this 3<sup>rd</sup> day of December, 2024.

\_\_\_\_\_  
Mayor