

CHAPTER XIII.
SALE OF CANNABINOID PRODUCTS

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1301.00 PURPOSE, FINDINGS, AND INTENT

1301.01 Purpose. The purpose of this section is to regulate the sale of legalized adult-use of any product that contains tetrahydrocannabinol and that meets the requirements to be sold for human or animal consumption under M.S. § 151.72 (“THC Products”) to ensure compliance among THC product retailers.

1302.00 DEFINITIONS

1302.01 Definitions. For the purpose of this subchapter, the following terms shall have the meanings ascribed to them in this section.

1. **Compliance Checks.** The system the City or county uses to investigate and ensure that those authorized to sell licensed products are following and complying with the requirements in the section and state statutes.
2. **Edible Cannabinoid Product.** Shall have the meaning given in M.S. § 151.72, subd. 1(c)
3. **Licensed Product or THC Product.** Any product that contained tetrahydrocannabinol and that meets the requirements to be sold for human and animal consumption under Minnesota Statutes.
4. **Moveable Place of Business.** Any form of business operated out of a kiosk, truck, van, automobile, or other type of vehicle or transportable shelter and not a fixed address storefront or other permanent type of structure authorized for sales transactions.
5. **Retail Establishment.** Any place of business where licensed products are available for sale to the general public, including, but not limited to, grocery stores, tobacco shops, convenience stores, gasoline stations, bars, and restaurants.
6. **Sales.** Any transfer of goods for money, trade, barter, or other consideration.

1303.00 STATE LAW ADOPTED

1303.01 Except as further restricted or regulated by this subchapter, the provisions of M.S. § 151.72 relating to the definition of terms, licensing, and all other matters pertaining to the retail sale, distribution and consumption of cannabinoid products are adopted and made a part of this chapter as if set out in full. Whenever there is an inconsistency between the provisions of M.S. § 151.72, as amended, and the provisions of this section, the more restrictive provision shall govern.

1304.00 LICENSE

1304.01 License Required. No person shall sell or offer to sell, directly or indirectly, on any pretense or by any device, any licensed product as part of a retail commercial transaction within the corporate limits of the city without first having obtained a license to do so from the city.

- 1304.02 Application.** An application for a license to sell licensed products shall be made on a form provided by the city. The application shall contain the full name of the applicant, the applicant's residential and business addresses, telephone numbers, the name of the business for which the license is sought, and any additional information the city deems necessary. Upon receipt of a completed application, the City Administrator shall forward the application to the City Council for action at its next regularly scheduled City Council meeting. If the City Administrator determines that an application is incomplete, they shall return the application to the applicant with notice of the information necessary to make the application complete.
- 1304.03 Business Information.** A business applicant shall notify the city in writing of any change in ownership of the business. Any change in the ownership or control of the business shall be deemed equivalent to a transfer of the license, and any such license shall be revoked 30 days after any such change in ownership or control unless the licensee has notified the Council of the change in ownership by submitting a new license application for the new owners, and the Council has approved the transfer of the license by appropriate action. The City Council may either approve or deny the application for a license, or it may delay action for a reasonable period of time as necessary to complete any investigation of the application or the applicant deems necessary. If the City Council approves the license, the City Administrator shall issue the license to the applicant. If the City Council denies the license, notice of the denial shall be given to the applicant along with notice of the applicant's right to appeal the City Council's decision.
- 1304.04 Application Denial.** If a license application is denied, the earliest an applicant may reapply is 12 months from the date the license is denied.
- 1304.05 Term.** All licenses issued under this subchapter shall be valid until December 31 of the year of issue.
- 1304.06 Revocation or Suspension.** Any license issued under this subchapter may be revoked or suspended as provided in this subchapter.
- 1304.07 Transfers.** All licenses issued under this subchapter shall be valid only on the premises for which the license was issued and only for the person or business to whom the license was issued. The transfer of any license to another location, business, or person is prohibited.
- 1304.08 Display.** All licenses shall be posted and displayed in plain view of the general public on the licensed premises.
- 1304.09 Renewals.** The renewal of a license issued under this subchapter shall be handled in the same manner as the original application. The request for a renewal shall be made at least 30 days but no more than 60 days before the expiration of the current license.
- 1304.10** Issuance as privilege and not a right. The issuance of a license issued under this subchapter is a privilege and does not entitle the license holder to automatic renewal of the license.

1305.00 FEES

1305.01 No license shall be issued under this subchapter until the appropriate license fee is paid in full. The fee for a license under this subchapter shall be established by the City Council and adopted in the city fee schedule in an amount not to exceed any maximum allowed by state law and may be amended from time to time. The license fee shall be prorated for licenses issued for less than a full year. No part of any license fee will be refunded unless an application is withdrawn before any Council action is taken.

1306.00 REGULATIONS

1306.01 No person or entity may sell an edible cannabinoid product in the City of Sacred Heart except as follows:

1. Written application of the person or entity conducting the sale of the product(s) and the permanent location of the place of business at which such sales may be made, shall first be provided to the City Administrator.
2. Sales may only be made to individuals who are 21 years of age or older.
3. Consumption shall not be allowed on the premises of any retailer selling edible cannabinoid products.
4. The manner of sale shall be such that the customer does not have access to the edible intoxicating cannabinoid products without having to request the item from the person or entity making the sale or an employee thereof and engaging in a physical exchange of the edible cannabinoid products between the person or entity making the sale or an employee thereof and the customer.
5. No sale shall be made from a moveable place of business. Only fixed-location businesses may engage in the sale of an edible cannabinoid product.
6. The sale of these products may only happen in a B-1 or M-1 zoning district.
7. In general. No person shall sell or offer to sell any licensed product by means of any type of vending machine, or by means of self-service merchandising.
8. Legal age; verification. No person shall sell any licensed product to any person under the age of 21. Licensees shall verify by means of government issued photographic identification that the purchaser is at least 21 years of age.
9. Legal age; sale. No person under the age of 18 shall be allowed to sell any licensed product.

1307.00 RESPONSIBILITY

1307.01 All licensees are responsible for the actions of their employees regarding the sale, offer to sell and furnishing of licensed products on the licensed premises.

1308.00 COMPLIANCE CHECKS AND INSPECTIONS

1308.01 All premises under this subchapter shall be open to inspection by the city or county during regular business hours from time to time. Nothing in this section shall prohibit compliance checks authorized by state or federal laws for educational, research or training purposes, or required for the enforcement of a particular state or federal laws.

1309.00 SUSPENSION OR REVOCATION OF LICENSE

1309.01 A license issued pursuant to this section may be suspended by a city official if the licensee has violated any section of this subchapter or is otherwise conducting business in such a manner as to constitute a breach of peace, fraudulent conduct, or any other conduct that is prohibited by local, state, or federal laws or regulations. Falsification of information required for a license is also grounds for denial, suspension, or revocation of a license. The license shall be automatically revoked if the licensee does not file an appeal pursuant to this subdivision. When acting on any license issued under this section, the city official shall provide the licensee with verbal or written notice of the violation. The notice shall inform the licensee of its right to be heard before the City Council. The notice shall also inform the licensee that the license shall be automatically revoked if no appeal is filed within 21 days of the date of the notice by the city official. The City Council shall not conduct a hearing on a suspension or revocation unless a request is made by the licensee in writing. If a request for a hearing is made, the City Council shall conduct the hearing at the next available City Council meeting.

1310.00 EXCEPTIONS AND DEFENSES

1310.01 Nothing in this subchapter shall prevent the providing of edible cannabinoid products to a person under the age of 21 as part of a lawfully recognized religious, spiritual, or cultural ceremony. It shall be an affirmative defense to the violation of this subchapter for a person to have reasonably relied on proof of age as described by state law in M.S. § 340A.503, subd. 6.

1311.00 PENALTY

1311.01 Penalties.

1. In addition to or in lieu of any administrative or civil penalty, a licensee may be criminally charged for a violation of M.S. §§ 175.01 through 175.08 or any violation of local, state, or federal laws or regulations.
 - (a) Violations and penalty. Any person engaging in the public sale or distribution of edible cannabinoid products in violation of the regulations established in M.S. §§ 175.20 through 175.29 shall be guilty of a misdemeanor.
 - (b) Criminal penalty. In addition to or in lieu of any administrative or civil penalty, a licensee may be criminally charged for a violation of M.S. §§ 175.20 through 175.29 or any violation of local, state, or federal laws or regulations.