AGENDA
COHASSET PLANNING COMMISSION
305 NW FIRST AVENUE
Monday, April 7, 2025 – 6:00 P.M.

SITE VISIT(S):

NONE

1. Call meeting to order.
2. Roll call:
   a. Voting members; __SG __SL __GP __MR __LT __HZ (P = present / A = absent).
   b. Ex-officio members: Zoning Officer, Tony Valtinson
   c. Others present;
3. Review and approve agenda:
   a. Additions:
   b. Deletions:
   c. Motion to approve agenda by _____ 2nd by _____.
      Voice vote: __ for __ against (__ affirmed __ rejected).
4. Review and approve Planning Commission Minutes of 03/03/2025
5. RFPCA – Cannabis Retail Registration. (Tabled from 03-03-2025)
6. FYI

Adjourn: _____

MINUTES
COHASSET PLANNING COMMISSION
305 NW FIRST AVENUE
MONDAY March 3, 2025 – 6:00 P.M.

1. Call Meeting to Order: Meeting was called to order at 6:00 p.m.

2. Gigi Pehrson took Oath of Office for reappointment to the Planning Commission.

3. Roll Call

Present: PC Members; Gigi Pehrson, Scott Gerling, Steve Lavalier, Mike Rock, Harlow Zeppelin and Lucas Thompson

Absent with Notice: Steve Lavalier

Ex-Officio Members: Present: Zoning Officer Tony Valtinson, Mayor Josh Casper

Other: None

4. Review and Approve the Agenda

    a. 7. RFPCA – Cannabis Retail Registration.

    b. Deletions: None

A motion was made by Mike Rock to approve the March 6, 2025 agenda as presented. Scott Gerling seconded the motion. Voting in favor: Harlow Zeppelin, Mike Rock, Scott Gerling, GiGi Pehrson, Lucas Thompson; Voting against: None; Absent: Steve Lavalier; Motion carried.

5. Review and approve Planning Commission minutes of 01/06/2025:

A motion was made by Mike Rock to approve the January 06, 2024 Planning Commission minutes as written. Lucas Thompson seconded the motion. Voting in favor: Harlow Zeppelin, Mike Rock, Scott Gerling, GiGi Pehrson, Lucas Thompson; Voting against: None; Absent: Steve Lavalier; Motion carried.

6. Informational updates to include but not limited to Floodplain Ordinance, Water Surface Use Ordinance, etc

Valtinson gave an update that City Council approved the adoption of the new Flood plain Ordinance and that it has been published and recorded at the county. Discussion was held between Planning Commission and Valtinson regarding the process and impact.

Valtinson gave an update regarding the Water Surface Use Ordinance for Tioga Pit.

Valtinson gave update on City focus on housing, City owned land and partnership with IEDC.

Pehrson asked about candidates for Planning Commission vacancies. Valtinson explained that they have received 3 applications so far and the vacancy has been published.

Valtinson spoke about the ordinance in relation to Guest Cottages. There have been recent inquiries regarding guest cottages and family use properties. Further discussion was held around guest cottages, garages with living space, primary structures and dwellings. The Planning Commission agreed the further discussion of this topic would be a good idea.

7. RFPCA – Cannabis Retail Registration.

Valtinson reviewed information in packet and explained process and options for Cannabis Retail Registration. Valtinson explained that the City can choose to issue the registrations in house or have Itasca County handle it for us. Discussion was held around what "retail registration" is and the impact of the two different options. Further discussion was held around licensing process and regulations.

A motion was made by Mike Rock to table RFPCA to make recommendation to City Coulcil regading Cannabis Retail Registration. Scott Gerling seconded the motion. Voting in favor: Harlow Zeppelin, Mike Rock, Scott Gerling, GiGi Pehrson, Lucas Thompson; Voting against: None; Absent: Steve Lavalier; Motion carried.

8. FYI – Update on Great Tales Animal Rescue site. Update on new Comp Plan. Update on boat launch at Blackwater Banks.

Adjourn: Gigi Pehrson adjourned the meeting at 6:52p.m.

Submitted by: Anthony Valtinson
Approved:DRAFT

REQUEST FOR PLANNING COMMISSION ACTION

Agenda #	Date:	Action
5	04-07-25	

Description of issue:

Make recommendation to the City Council regarding Cannabis Retail Registration.

Information on issue/request:

Motion by: ___ to: _____

_____

_____ 2nd by: ___

___ Roll Call (Yes = For / No = Against): __JCa __SG __SL __GP __MR __LT __HZ

___ Voice Vote: __ For / __ Against __ Affirmed __ Rejected

MINNESOTA
OFFICE OF CANNABIS MANAGEMENT

Frequently Asked Questions

Check back often for answers to a wide range of questions. See below for sections on:

Social equity applicants

Social equity questions.

Do I need to meet every single criterion for social equity verification?

No, you are only required to meet one criterion.

Do I need to have my social equity status verified in order to apply for license preapproval?

Yes. Social equity verification is a prerequisite to applying for license preapproval.

Are there any time restrictions for convictions?

No, there are no time restrictions for convictions prior to May 1, 2023, to be considered for social equity status.

Who should I reach out to for questions about the verification tool?

Email **minnesota@creativeservices.com (mailto:minnesota@creativeservices.com)** for support.

I lost my URL and want to check on the status of my verification. Who can I reach out to?

Email **minnesota@creativeservices.com (mailto:minnesota@creativeservices.com)** for support.

I haven't received a confirmation email after submitting my SEA verification application and materials. What email address should I be looking for?

Look for an email from donotreply@creativeservices.com in your inbox.

If I believe that I meet the qualifications for more than one criterion, should I submit multiple verification applications?

No. Individuals interested in being verified as a social equity applicant should only submit one application for consideration. You are only required to meet one criterion to qualify. You are welcome to submit documentation for more than one criterion under the one application, but only one criterion is required to be met to qualify as a social equity applicant.

Do I have to pay for social equity verification process?

No. The Office of Cannabis Management does not charge a fee to complete the social equity verification process.

Do I have to be a resident of Minnesota to qualify as a social equity applicant?

No. Minnesota Statutes section 342.17 provides the criteria for those who may qualify as a social equity applicant, which does not include a residency requirement.

Does the 65% ownership requirement apply to governance or financial interests?

The statutory language uses the term "ownership and control," which would include both financial interest and governance control. The statutory requirement that 65% of the controlling ownership of the business entity be controlled by persons verified as social equity applicants was created to allow social equity applicants to access capital not held by traditional banks. The legislature also created a true party of interest section to help prevent the use of straw applicants to subvert Minnesota's commitment to an equitable market. Corporate structures can be complex, and the office cannot provide a comprehensive list of structures that would meet the standards in the statute. Applicants should note that increasing the complexity and nuance of corporate structures may increase the chances of a lengthy review or regulatory challenges. To that end, being approached by an investor offering a complex ownership or debt structure as part of the investment may be a red flag for predatory practices.

Is it true social equity applicants won't need to pay the application fee twice if they aren't selected in the preapproval round, but want to be included in the general process?

Yes, this is true. OCM will not charge a second application fee for a retained application that is considered in a subsequent application round. Minnesota Statutes Chapter 121, section 148, subdivision 12, requires OCM to retain the applications of applicants not selected in the lottery process during the preapproval round for up to one year. These retained applications will be subject to Minnesota Statutes, section 342.14, subdivision 9, which states OCM must consider a retained application during any licensing periods that begin within the year and, except as otherwise provided in the subdivision, OCM must treat a retained application as if the application were submitted during the licensing period. OCM may request additional information and an applicant may amend their application during this time.

Can social equity applicant verification for those with a cannabis offense on their record be provided to OCM using private background checks?

OCM has a list of documents on its website that a person can provide for social equity verification under the various criteria. See **Social Equity Qualifications (https://mn.gov/ocm/businesses/equity-applicants/qualifications.jsp)**. Applicants can submit as much supporting material as they would like for their social equity verification. The social equity applicant verification process is distinct from the criminal background check required during the application process for licensure.

Will my social equity verification status be valid for the next round of licensing in 2025?

Yes.

License preapproval follow up

License preapproval follow up questions.

If I submitted an application that was denied in the preapproval process, can I make updates to my application before OCM reviews it as part of the next licensing cycle?

If you choose to keep your current application in the next cycle, it will be considered submitted as it currently exists. If you continue to the next licensing cycle, OCM will send you a request for more information to give you the opportunity to potentially correct reasons your application was denied.

Is the Office of Cannabis Management still planning a social equity license preapproval lottery?

Due to new litigation and the district court's decision to stay the license preapproval lottery on Nov. 26, OCM is no longer able to hold a license preapproval lottery in advance of our next round of licensing. As such, the early-mover advantages offered by the expedited license preapproval process envisioned by the Legislature no longer exist .

We are moving on to the standard social equity and general licensing that is called for in Minnesota Statutes, Chapter 342.

If my application qualified for the social equity license preapproval lottery and I want to continue in the process for the next cycle, is there anything I need to do?

We are working with qualified social equity applicants who advanced to the license preapproval lottery to ensure they are promptly integrated into the upcoming licensing cycle with no additional application fee and no requirement to resubmit an application. This will preserve their opportunity to lead the launch of Minnesota's cannabis market.

If I received a denial letter in the preapproval process, what options are available to me to update my application and be considered in the next cycle?

We are communicating with applicants who received denial notices to inform them of options and next steps available to them. If they fully address the reasons that their application was denied, these applicants will have the opportunity to move forward in general licensing, which includes a lottery specifically for social equity applicants. Alternately, they may choose to discontinue their participation in the next cycle and request a refund for their application fee.

Why are some applicants being given another opportunity to correct reasons that their application was denied?

At this point, all applicants with errors in their preapproval applications will have a chance to fix them. The office's top priority is to issue licenses and launch Minnesota's adult-use cannabis program promptly, while also preserving at least some of the benefit the legislature intended for social equity applicants.

If I decide to not move to the next cycle, can I submit an application for a business license in any future cycle?

Yes. You would need to submit a new application and pay an application fee if you withdraw your application for the next cycle.

What if I want to apply for a different license type than my original application?

You would have to withdraw your current application for license preapproval, ask for a refund by Jan. 10, and then submit a new application. Be careful not to violate true party of interest for any application.

What if I want to join another business that is also applying for a license?

You would have to withdraw your current application for license preapproval, ask for a refund by Jan. 10, and then submit a new application. Be careful not to violate true party of interest for any application.

The ending of license preapproval means there is no longer an opportunity for early cultivation. What does that mean for product being available at the launch of the market?

We've always said that it will take several years for the market to fully mature and for production to match demand. The addition of early cultivation in the license preapproval process was always unlikely to provide sufficient supply to meet market demand. The microbusiness license type (which includes the ability to cultivate) is not capped in the standard licensing cycle, and there are 194 qualified microbusinesses among the 648 qualified applicants who are automatically advancing. It is entirely conceivable that rules will be adopted prior to our next lottery date, which would mean those qualified microbusinesses could receive a license and begin cultivation before summer. Finally, we are close to executing compacts with several Tribal nations that will likely have cultivation capacity to serve the commercial market.

License application process

License application questions.

There are some exceptions to the multiple license limitations in law. What licenses can be held at the same time?

A person identified as a true party of interest may not apply for multiple license types, *except* that a true party of interest may be affiliated with the following combinations of applications:

- A single cannabis cultivator license and a single cannabis manufacturer license.
- A single cannabis wholesaler license and a single cannabis transporter license.
- A single cannabis wholesaler license and a single cannabis delivery service license.
- A single cannabis transporter license and single cannabis delivery service license.
- A single cannabis wholesaler license, a single transporter license, and a single cannabis delivery service license.
- A single cannabis retailer license and a single cannabis delivery service license.

For the trade name requirement, is that the assumed name and/or incorporation name?

Trade name registration will be documented through proof of registration with the Secretary of State for the company name with assumed name or DBA on the registration itself.

If the applicant is an LLC, it should submit its Certificate of Organization from the Minnesota Secretary of State, and if it uses a DBA, it should also submit its Assumed Name filing that was made with the Secretary of State.

State statute provides that license holders may petition OCM to adjust the tier of a license issued within a license category, provided that the license holder meets all requirements. How would this be affected by license caps?

Statute requires OCM to consider if the current number of licenses available are consistent with the goals identified by statute beginning July 1, 2026. This could potentially include allowances for adjustments between license types not otherwise allowed by existing license type caps.

If there are individuals from Canada and do not have a Social Security number, would they just input their Social Insurance number (the Canadian equivalent to Social Security number)?

For individuals without a Social Security number, the applicant should note in the "Social Security Number (Individuals Only)" column that the individual is a "non-US Citizen." The applicant should not input a number that may serve as a Social Security equivalent in their country of citizenship.

How do I fill out the application details if I do not have a location for the business yet?

A physical premises is not required for license preapproval and provides the applicant no advantage in the review process. However, it is necessary to read each question carefully about whether the question is asking you to attest that you will do something and/or if it is asking you to write and include what you *plan* to do once a location is secured. If the question itself includes "if applicable," it is required that you provide the requested information, even if the information is preliminary or for planning purposes. If the words "if applicable" do not appear in the question, applicants must respond accordingly. Applicants should carefully consider whether a question is applicable to their application before deciding not to respond. Writing "not applicable" or "N/A" is not sufficient unless specifically noted.

Can I be a true party of interest on more than one application?

An entity or true party of interest may not submit more than one application for any single license type. This limitation does not apply to an individual, business, or entity that holds no more than 10% ownership of the business entity. Please review Minnesota Statutes, section 342.185, subdivision 2 for further details on what constitutes a true party of interest and application number limitations. An entity or true party of interest may submit applications for multiple license types if it would not result in the applicant being vertically integrated in violation of Minnesota Statutes Chapter 342. Please review **Minnesota Statutes, section 342.18 (https://www.revisor.mn.gov/statutes/cite/342.18)**, subdivision 2 for further details on vertical integration prohibition and Minnesota Statutes Chapter 342 sections specific to each license type for further information on specific restrictions.

What number should I be using in the capitalization table column that asks for the Social Equity Certification Report number?

Use the "order number" that is listed on your Social Equity Certification Report, which was provided by Creative Services, Inc.

What worksheets are required to be uploaded before I pay the fee?

The following is the list of required worksheets.

- Disclosure of Ownership and Control
- Capitalization Table
- Preliminary Security Plan
- Preliminary Business Plan
- Attestation of Labor Peace Agreement
- Preliminary Training and Educational Plan for Employees
- Preliminary SOP Quality Assurance
- Preliminary SOP Inventory Control, Storage, and Diversion Prevention
- Preliminary SOP Accounting and Tax Compliance
- Preliminary Operation Plan (based on license type)
- Preliminary Cultivation Plan (if applying for a cultivator license or micro/mezzobusiness license seeking a cultivation endorsement)

Are the worksheets considered final once I complete my payment or can I re-enter my application to add additional documents?

All worksheets are considered final once you complete your payment and will be the *only* documents reviewed for minimum qualifications.

What is a labor peace agreement?

As defined in **Minnesota Statutes, section 342.01 (https://www.revisor.mn.gov/statutes/2023/cite/342.01)**, a labor peace agreement is an agreement between a cannabis business and a bona fide labor organization that protects the state's interests by, at minimum, prohibiting the labor organization from engaging in picketing, work stoppages, or boycotts against the cannabis business.

What is a bona fide labor organization?

As defined in **Minnesota Statutes, section 342.01 (https://www.revisor.mn.gov/statutes/2023/cite/342.01)**, a bona fide labor organization is a labor union that represents or is actively seeking to represent cannabis workers.

Does OCM have a list of bona fide labor organizations that an applicant can work with to enter into a labor peace agreement?

There is not a complete list of qualifying labor organizations. Applicants are welcome to work with any labor union that meets statutory definitions and represents or is actively seeking to represent cannabis workers.

Medical cannabis combination licenses

Medical cannabis combination license questions.

How many medical cannabis combination business licenses can a single business/person/cooperative hold?

Under Minnesota Statutes, section 342.515, subdivision 1(b), only one license is permitted per person or business.

Can a medical combination business license grow adult-use cannabis in their first year of operation?

A medical combination business may only cultivate cannabis for sale into the adult-use market equal to an area that is one-half of the area the business used to cultivate cannabis sold into Minnesota's medical market in the previous year. That means a medical combination business will have to sell into Minnesota's medical market for one year prior to cultivating any adult-use cannabis.

How does OCM determine the amount of adult-use cannabis that a medical cannabis combination business is permitted to cultivate?

The individual business and OCM will determine through the use of the statewide monitoring system the amount of cannabis canopy sold by the business into Minnesota's medical market the prior year. The business will be permitted to cultivate one half of that amount for the adult-use market in the following year, as provided in Minnesota Statutes, section 342.515, subdivision 2(c).

Is a medical cannabis combination business limited to only selling medical-use cannabis and cannabis products?

No. The medical combination business license is one of four license types that can be vertically integrated. Under Minnesota Statutes, section 342.515, subdivision 1(c), a medical combination business may cultivate, manufacture, and sell cannabis and hemp products.

Are medical cannabis combination business license holders required to have local registration prior to offering retail sales?

Yes. Per Minnesota Statutes, section 342.22, subdivision 1, all cannabis businesses are required to receive local approval and registration prior to beginning retail sales.

Do medical retail locations count toward local retail location restrictions provided in Minn. Statutes, section 342.13(h)?

No. Minnesota Statutes, section 342.13(h), only contemplates cannabis retail licenses, cannabis mezzobusiness licenses with retail operations, and cannabis microbusiness licenses with retail operations. Therefore, medical cannabis combination licenses with retail locations are exempted from the restrictions of that statute.

Does a medical cannabis combination business require endorsements to operate?

No. Minnesota Statutes, section 342.515, subdivision 1(c), enumerates all activities that are permitted with the medical cannabis combination business license. These activities are contemplated by the license and do not require additional endorsements. Depending on the activity, such as retail, the business will require local approval and registration as provided in Minnesota Statutes, section 342.22, subdivision 1.

Tribal relations

Tribal relations questions.

Can I sell on the reservation if I have a state license?

No, Minnesota Tribes determine who operates businesses on tribally regulated land according to their own regulations.

I am a Tribal member residing on non-fee land and want to start a cannabis business by applying for a state license. Where can I sell?

A state license allows for a cannabis or hemp business to be operated outside of tribally regulated lands. As part of the licensing process, applicants must seek local zoning approval and local registration for retail stores. There is no requirement that the business owner reside in the same city or county as their business.

Will Tribes have dispensaries in the Twin Cities areas that qualify for social equity status of high poverty or enforcement rates?

Where Tribes will locate dispensaries off Tribal land will be determined through compacting. Tribal governments do not qualify as social equity applicants.

Will the Tribes be included in the high enforcement rates study?

Due to the lack of relevant data, OCM was unable to conduct the study directed by Minnesota Statutes, section 342.04, paragraph (b), which identifies areas experiencing disproportionately high levels of cannabis enforcement. Recent changes to the law allow applicants who believe they meet this criterion to submit a study or report, based on federal or state data on arrests or convictions, to OCM. These studies could include Tribal enforcement information if it is available. OCM has launched an interactive **Social Equity Map (https://minnesota.maps.arcgis.com/apps/instant/lookup/index.html?appid=4d788f2f4df24048a972b43cb4be138f)** that can be found on the OCM qualifications page under Criterion 6. The map is a tool for individuals to review whether their addresses over the last five years may meet any of the specific criteria listed in that section.

Local governments

Local government questions.

When does OCM anticipate having guidance materials ready for use by local units of government?

A model ordinance and guidance workbook for local governments is available on OCM's website. Go to **A Guide for Local Governments on Adult-Use Cannabis (PDF) (/ocm/assets/A_Guide_for_Local_Governments_on_Adult_Use_Cannabis_2.1_tcm1202-627967.pdf)**.

When should local units of government have their registration systems in place to receive OCM requests for certification of compliance?

Local retail registration is independent of the state application timeline and zoning compliance certification and can be run concurrently or following. **Chapter 342.22 (https://www.revisor.mn.gov/statutes/cite/342.22)** details the outline and requirements for the local retail registration process, and there is guidance available on the **Local Governments webpage (/ocm/local-governments/localgovs.jsp)**. For more information on the licensing process timeline, go to the **General Licenses webpage (/ocm/businesses/licensing/process.jsp)**.

What is the status of the license preapproval and early cultivation process? Local governments were preparing for this.

Following a court decision and to avoid further delay and risks to social equity, OCM ended the license preapproval process and moved forward with opening a standard licensing cycle for both social equity and general applicants beginning in early 2025. The 2024 law that established the license preapproval process emphasized rigorous review and operational readiness to ensure that social equity applicants were market-ready. The delays related to the court's order to pause the lottery eliminated any early-mover advantages offered by the expedited license preapproval process envisioned by the Legislature.

Proceeding to the planned standard licensing cycle allows OCM to prevent delays to the market launch due to ongoing litigation and retain some benefit to social equity by allowing applicants for license preapprovals to move into this new round.

OCM notified the 648 applicants who qualified in the preapproval process that their applications will automatically move forward in the next licensing process. Applicants that applied for a license not capped by statute will not be subject to a lottery and will continue their next steps in securing a license, while applicants that applied for licenses subject to a lottery will be entered into the social equity lottery. If those applicants are not selected in the social equity lottery, they will have another opportunity in the general lottery.

Go to the **General Licenses webpage (/ocm/businesses/licensing/process.jsp)** for more information.

Which license types will local governments need to be prepared to register for retail sales?

Cannabis retailer businesses and cannabis businesses seeking a retail endorsement, including cannabis microbusinesses, cannabis mezzobusinesses, medical cannabis combination businesses, as well as lower-potency hemp retailer businesses are required to have local retail registration prior to making retail sales. All potential businesses (those engaging in retail and those not engaging in retail) are required to comply with local zoning ordinances. Local governments will be asked to certify zoning compliance during the application process for businesses of all license types prior to OCM issuing a license. Then, the license types described above will also be required to obtain a local retail registration directly from the relevant local unit of government. Zoning compliance certification and local retail registration are distinct.

Does OCM have a plan for how local governments will be notified of potential retail businesses in their jurisdiction so we know when/where we have to do our registrations?

OCM will use a software system, Accela, to manage the application and licensing process. As part of the application process, OCM will complete a zoning compliance verification check and communicate with local units of government through Accela to request certification on an application. Then, Minnesota's cannabis law includes the process for local retail registration, which is distinct of the licensure process run by OCM. Each business conducting retail sales of cannabis is required to hold a business license AND a local retail registration. This process is determined by each local unit of government.

For more information, please visit the **Contact and Delegation Form & Accela Account Registration Process webpage (/ocm/local-governments/contactform.jsp)** and review the **Guide for Local Governments on Adult-Use Cannabis (PDF) (/ocm/assets/A_Guide_for_Local_Governments_on_Adult_Use_Cannabis_2.1_tcm1202-627967.pdf)**.

Once OCM starts issuing business licenses (and as a result local governments start issuing registrations), are the licenses annual?

The annual renewals will be based on the date the license is issued.

When are cannabis businesses expected to start applying for licenses and when are they expected to open?

OCM will open the license application window on Feb. 18 and close on March 14. Following that, OCM will review all accepted applications. For licenses subject to caps (meaning there is limited availability as determined in statute for retailer, mezzobusinesses, manufacturers, and cultivator license types), there will be a lottery selection process that is anticipated to be held in May or June. For licenses not subject to caps (meaning there is not a limited availability for microbusinesses, delivery, transporter, testing facility, wholesaler, and medical cannabis combination license types), no lottery selection process is required; instead licenses will be issued following the completion of the application process. This process includes a background check and a request for zoning compliance certification.

What is needed for counties and cities to begin developing and adopting their ordinances?

Local units of government may begin developing and adopting their ordinances at any time. OCM has developed a guidebook to assist local governments in this process. Learn more at **A Guide for Local Governments on Adult-Use Cannabis (PDF) (/ocm/assets/A_Guide_for_Local_Governments_on_Adult_Use_Cannabis_2.1_tcm1202-627967.pdf)**. Organizations supporting local units of governments, including the League of Minnesota Cities and the Association of Minnesota Counties, also have resources to support this process.

How should a local government unit treat lower-potency hemp edibles when designing ordinances? Should they be included in its definition of cannabis retail businesses?

Under state law, licensed lower-potency hemp edible retailers are defined as hemp businesses, not cannabis businesses. However, they are also required to obtain a local retail registration in addition to their state license to conduct retail sales, which is the same requirement as for cannabis businesses intending to conduct retail sales. Both a license and a retail registration are required. So, while a local unit of government may treat cannabis businesses and lower-potency hemp retailers (hemp businesses) the same under the local retail registration process, they may also be treated distinctly if the local unit of government intends to limit the number of retail registrations of cannabis businesses. Because under state law, lower-potency hemp edible retailers are not subject to the limitation authority that a cannabis retailer may be. However, if a local unit of government is not limiting the number of retail registrations for cannabis businesses, then they may be treated the same as they both require retail registrations.

What does the rulemaking on performance standards, such as wastewater, lighting, and odor, for growing and manufacturing businesses look like? What should local units of government consider when developing their own performance standards and what businesses could they compare cannabis growing and manufacturing businesses to?

The rulemaking process is ongoing. On Jan. 13, OCM will publish a notice of intent to adopt expedited rules for Minnesota's new cannabis industry. As such, local government can review the draft rules and can submit comment until 4:30 p.m. on Wednesday, Feb. 12. For more information and to review the draft rules (starting on Jan. 13), go to the **Rulemaking webpage (/ocm/laws/rulemaking.jsp)**.

OCM has developed a guidebook that includes information about potential zoning considerations for cannabis businesses. Learn more at **A Guide for Local Governments on Adult-Use Cannabis (PDF) (/ocm/assets/A_Guide_for_Local_Governments_on_Adult_Use_Cannabis_2.1_tcm1202-627967.pdf)**. Organizations supporting local units of governments, including the League of Minnesota Cities and the Association of Minnesota Counties, also have resources to support this process.

Counties and cities currently have shops that are selling legalized THC products. Will these entities need a license under the new framework being developed by the OCM to continue retail operations?

The licensing framework will be in place once the rules are adopted, and OCM will be able to issue cannabis and hemp business licenses. After OCM begins issuing lower-potency hemp licenses, businesses are required to have a lower-potency hemp edible retailer license to engage in retail sales of these products, including the products that are currently legal to sell by registered retailers during the interim.

How can counties and cities decide how to award a cannabis retail registration if there is more than one application?

State law does not require a specific process to issue cannabis retailer registrations. Under **Minnesota Statutes, section 342.13 (https://www.revisor.mn.gov/statutes/cite/342.13)**, local governments are not required to limit the number of registered cannabis retailers and must allow at least one retailer per 12,500 residents. If a local government chooses to limit the number of retail registrations within its locality, options for selecting applicants could include a lottery, a first-come/first-served model, rolling approvals, and other options. Local governments that plan to limit retail registrations should work with an attorney to develop a process for issuing registrations.

What will the municipal cannabis business application process look like?

Municipal cannabis stores will follow the general license application process. Licenses for municipal cannabis stores will be issued regardless of the lottery selection process for cannabis retailer licenses if all conditions in **Minnesota Statutes section 342.14, subdivision 7 (https://www.revisor.mn.gov/statutes/cite/342.14)**, are met. The requirements for applications for cannabis business licenses are detailed in Minnesota Statutes sections **342.14 (https://www.revisor.mn.gov/statutes/cite/342.14)** and **342.18 (https://www.revisor.mn.gov/statutes/cite/342.18)**. Additionally, requirements for cannabis retailer licenses are detailed in section **342.42 (https://www.revisor.mn.gov/statutes/cite/342.42)**. OCM will share guidance for the application process on the OCM website ahead of the general licensing launch.

Who will inspect the lower-potency hemp products, and what if county or city staff come across illegal products being sold?

As of July 1, 2024, OCM oversees compliance investigations of the lower-potency hemp-derived product industry. County staff can file a complaint at **Submitting Office of Cannabis Management Product Complaints (https://redcap.health.state.mn.us/redcap/surveys/?s=NAXCFJCNHH8LNX7D)**. Once rulemaking is completed, OCM will establish an expedited complaint process to receive, review, read, and respond to complaints made by a local unit of government about a cannabis business. Upon promulgation of rules, OCM will publish the complaint process and guidance for local governments.

How does a city or township go about delegating cannabis retail registration authority to the county? Does the city or township need to notify the state?

Each individual city and township can decide whether to delegate registration authority to the county. Minnesota statute does not specify the method for the delegation process, and OCM would suggest consulting your city and county attorneys to determine this process. Only the local government unit that issues a cannabis retailer registration, so the entity with the delegation may limit the registrations by ordinance pursuant to Minnesota Statutes, section 342.13.

The city or township will be required to notify OCM if they have delegated authority on forms provided by the office. Information about this process will be shared in the office's rules and on the website.

Counties, cities, and townships all have authority to register cannabis retail businesses. How will OCM and each level of local government know who the responsible entity is for registering a business?

Each individual city and township can decide whether to delegate registration authority to the county. OCM suggests consulting city and county attorneys to determine this process and communication between jurisdictions. The city or township will be required to notify OCM if they have delegated authority on forms provided by the office. For more information, please review OCM's **Contact and Delegation webpage (/ocm/local-governments/contactform.jsp)**.

Which entity is responsible for local retail registrations?

Local units of government are responsible for local retail registrations. Before making retail sales to customers or patients, a cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, medical cannabis combination business, or lower-potency hemp edible retailer must register with the city, town, or county in which the retail establishment is located. A county may issue a registration in cases where a city or town has provided consent for the county to issue the registration for the jurisdiction.

A local retail registration is required in addition to a business license as issued by OCM.

The local unit of government responsible for local retail registration will work in accordance with **Minnesota Statutes, section 342.22 (https://www.revisor.mn.gov/statutes/cite/342/full#stat.342.22)**, including collecting a retail registration fee, conducting compliance checks, etc.

Counties will verify compliance with local planning and zoning authority and have authority to register businesses. How will these authorities be implemented and when in the regulatory processes do they take place?

During the application and licensing process for cannabis and hemp businesses, OCM will notify a local government when an applicant intends to operate within their jurisdiction and request a certification as to whether a proposed cannabis business complies with local zoning ordinances, and if applicable, whether the proposed business complies with state fire code and building code. For more information about a unit of local government's role in zoning compliance, please review OCM's **Local Governments webpage (/ocm/local-governments/localgovs.jsp)** and the **Contact and Delegation webpage (/ocm/local-governments/contactform.jsp)**.

Local retail registration is independent of the state application timeline and zoning compliance certification and can be run concurrently or following. **Chapter 342.22 (https://www.revisor.mn.gov/statutes/cite/342.22)** details the outline and requirements for the local retail registration process. For more information about a unit of local government's role in local retail registrations, please review OCM's **Local Governments webpage (/ocm/local-governments/localgovs.jsp)** and the **Guide for Local Governments on Adult-Use Cannabis (PDF) (/ocm/assets/A_Guide_for_Local_Governments_on_Adult_Use_Cannabis_2.1_tcm1202-627967.pdf)**.

Will a local government receive sales tax revenue on any cannabis product sold in their jurisdiction? If so, how is this calculated?

For questions about tax revenue and sales tax, please use the contact form on the **Department of Revenue website (https://www.revenue.state.mn.us/sales-and-use-tax)**.

Which entity is responsible for local retail registrations?

Local units of government are responsible for local retail registrations. Before making retail sales to customers or patients, a cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, medical cannabis combination business, or lower-potency hemp edible retailer must register with the city, town, or county in which the retail establishment is located. A county may issue a registration in cases where a city or town has provided consent for the county to issue the registration for the jurisdiction.

A local retail registration is required in addition to a business license as issued by OCM.

The local unit of government responsible for local retail registration will work in accordance with **Minnesota Statutes, section 342.22 (https://www.revisor.mn.gov/statutes/cite/342/full#stat.342.22)**, including collecting a retail registration fee, conducting compliance checks, etc.

How does a township or city delegate their local retail registration authority?

Please review **Minnesota Statutes section 342.22, subdivision 1 (https://www.revisor.mn.gov/statutes/cite/342.22#stat.342.22.1)**, for more information about the option for city and towns to provide consent for the county to issue retail registrations for their jurisdiction. State law does not define how a delegation decision may be made or executed. City and county partners may also consider other areas where delegations of authority exist and how they are accomplished. OCM recommends that local units of government consult their attorneys about how to either enter into or not enter into a delegation authority for the retail registration process.

Does a county have to accept the city or township's delegation of retail registration authority? If the county declines, does the city/township then have to complete registrations?

Please review **Minnesota Statutes, section 342.22, subdivision 1 (https://www.revisor.mn.gov/statutes/cite/342.22#stat.342.22.1)**, for more information about the option for city and towns to provide consent for the county to issue retail registrations for their jurisdiction. State law does not define how a delegation decision may be made or executed. City and county partners may also consider other areas where delegations of authority exist and how they are accomplished. OCM recommends that local units of government consult their attorneys about how to either enter into or not enter into a delegation authority for the retail registration process.

If a city or township has delegated its registration authority to the county, can the city/township still enforce its own registration or caps?

Only the local government unit that issues a cannabis retailer registration (the entity with delegation) may limit the registrations by ordinance in accordance with **Minnesota Statutes, section 342.13 (https://www.revisor.mn.gov/statutes/cite/342.13)**.

Does a city or township have to notify OCM if they have delegated retail registration authority?

The city or township will be required to notify OCM if they have delegated authority on forms provided by the office. To notify OCM, local units of government should complete the Contact and Delegation Form. For more information about this form and process, please visit the **Contact and Delegation Form & Accela Account Registration Process webpage (/ocm/local-governments/contactform.jsp)**. Every local unit of government should complete this form, regardless if they are delegating retail registration authority. This form does not suffice as the delegation itself, this process should be done by the local unit of government in consultation with their legal counsel.

What if a city delegates retail registration authority to the county; can they still manage the zoning authority for cannabis businesses in their jurisdiction?

Yes. The processes for zoning compliance certification and retail registration are distinct. Per **Minnesota Statutes, section 342.13 (https://www.revisor.mn.gov/statutes/cite/342/full#stat.342.13)**, a local unit of government may adopt reasonable restrictions on 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. As part of the application and licensing process for cannabis business licensure, OCM will contact the local unit of government responsible for zoning authority when a proposed business is requesting zoning compliance certification. For more information about this process, please visit **OCM's Contact and Delegation Form & Accela Account Registration Process webpage (/ocm/local-governments/contactform.jsp)** and the **Local Governments webpage (/ocm/local-governments/localgovs.jsp)**.

Then, the local unit of government with retail registration authority (a city or township unless otherwise delegated to the county), will be responsible for determining and managing the process to issue local retail registrations to applicable cannabis and hemp businesses. The local unit of government responsible for the local retail registration process will also complete compliance checks in accordance with **Minnesota Statutes, section 342.22 (https://www.revisor.mn.gov/statutes/cite/342/full#stat.342.22)**. For more information about this process, please visit **OCM's Contact and Delegation Form & Accela Account Registration Process webpage (/ocm/local-governments/contactform.jsp)**, the **Local Governments webpage (/ocm/local-governments/localgovs.jsp)**, and the **Guide for Local Governments on Adult-Use Cannabis (PDF) (/ocm/assets/A_Guide_for_Local_Governments_on_Adult_Use_Cannabis_2.1_tcm1202-627967.pdf)** for additional guidance about the retail registration process (pages 18-23).

Can local governments restrict cannabis events to being held at existing licensed cannabis businesses or other brick-and-mortar facilities?

State law does not include this restriction.

Minnesota Statutes, section 342.13 (https://www.revisor.mn.gov/statutes/cite/342.13), states 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. OCM recommends that you consult with your local government attorney for specific legal advice.

Can a local government limit the number of events held per year or per organizer?

Chapter 342 does not include a specific authority for a local unit of government to place a limit on events each year, however, it is important to note that the statute includes the requirement that applicants seeking an event organizer license must have local approval. State law requires that a cannabis event organizer must receive local approval, including obtaining any necessary permits or licenses issued by a local government unit, before holding a cannabis event. Per **Minnesota Statutes, section 342.39, subdivision 2 (https://www.revisor.mn.gov/statutes/cite/342.39)**, proof of local approval for the event is required in an application for the cannabis event license.

Minnesota Statutes, section 342.39 (https://www.revisor.mn.gov/statutes/cite/342.39), states 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. We recommend that you consult with your local government attorney for legal advice.

How can a municipality operate a municipal cannabis store? How many stores can they operate?

Per **Minnesota Statutes, section 342.32, subdivision 5 (https://www.revisor.mn.gov/statutes/cite/342.32#stat.342.32.5)**, a city or a county may operate one cannabis store under a cannabis retailer license.

What is the timing for licensing for municipalities interested in obtaining a cannabis license to operate a municipal cannabis store? Are they a part of the Feb. 18-March 14 timeframe for general licensing?

Cities or counties that wish to apply for a retailer license to operate a municipal cannabis store can submit an application during the standard licensing cycle. The application window provided for general licensing applicants will open on Feb. 18, 2025, and close on March 14, 2025. Per state law, municipalities, which are not subject to the lottery selection process for retailer licenses, will be awarded retail licenses provided they meet all the necessary requirements in Chapter 342. Municipal cannabis retail stores will not count towards the cap on retail licenses distributed by OCM.

At this time, the standard licensing cycle application window in early 2025 is the only scheduled application window. OCM will provide further information about future opportunities once available.

What is the timing for municipal cannabis stores to be able to open?

The standard licensing cycle in early 2025 is available to all applicants for 10 license types, including social equity applicants and non-social equity applicants. Municipalities interested in applying for a retailer license to operate a municipal cannabis store will apply as a general applicant for this license type.

Municipal cannabis stores will follow the general license application process. Licenses for municipal cannabis stores will be issued regardless of the lottery selection process for cannabis retailer licenses if all conditions in **Minnesota Statutes, section 342.14, subdivision 7 (https://www.revisor.mn.gov/statutes/cite/342.14)**, are met. The requirements for applications for cannabis business licenses are detailed in Minnesota Statutes, sections **342.14 (https://www.revisor.mn.gov/statutes/cite/342.14)** and **342.18 (https://www.revisor.mn.gov/statutes/cite/342.18)**. Additionally, requirements for cannabis retailer licenses are detailed in section **342.32 (https://www.revisor.mn.gov/statutes/cite/342/full#stat.342.32)**. OCM will share guidance for the application process on this website ahead of the general licensing launch.

Once applications from municipalities are received during the application window, OCM will review the applications and will communicate about next steps in the licensing process, including completing the background check process and meeting requirement for a labor-peace agreement.

Are municipalities interested in operating a municipal cannabis store able to engage in public-private partnerships in terms of operations and equity?

Statute does not specify what public-private relationships municipalities may have. OCM is not able to provide business or legal advice and recommends consulting legal counsel. All applicants for cannabis business licenses must meet requirements under **Minnesota Statutes, section 342.14 (https://www.revisor.mn.gov/statutes/cite/342.14)**, including disclosures of ownership and control. All applicants for cannabis business licenses, including municipalities seeking a retailer license, will be required to disclose all true parties of interest as defined in **Minnesota Statutes, section 342.185 (https://www.revisor.mn.gov/statutes/cite/342.185)**, even though they may not own a percentage of the business. OCM will share more guidance about application requirements in advance of the application window.

Can a city or county sell lower-potency hemp edibles at a municipal liquor store if they receive a lower-potency hemp edible retailer license?

Yes, a city or county is eligible to apply and receive a lower-potency hemp edible retailer license and would be able to sell lower-potency hemp edibles at a municipal liquor store subject to rules and regulations associated with this license type (Minnesota Statutes, section 342.46, subd. 2).

Can a city or county receive both a retailer license to operate a municipal cannabis store and a lower-potency hemp edible retailer license for their municipal liquor store?

No. State law prohibits an applicant from holding a cannabis license and a hemp license at the same time (Minn. Statutes, section 342.43, subd. 2; Minn. Statues, section 342.44 subd. 2; Minn. Statutes, section 342.32, subd. 4).

Can a city or county sell lower-potency hemp edibles at a municipal cannabis store if they receive a cannabis retailer license?

Yes, a city or county is eligible to apply and receive a cannabis retailer license and would be able to sell lower-potency hemp edibles at a municipal cannabis store subject to rules and regulations associated with this license type (Minnesota Statutes, section 342.32, subd. 1(3)).

342.13 LOCAL CONTROL.

(a) A local unit of government may not prohibit the possession, transportation, or use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products authorized under this chapter.

(b) Except as provided in section 342.22, a local unit of government may not prohibit the establishment or operation of a cannabis business or hemp business licensed under this chapter.

(c) A local unit of government may adopt reasonable restrictions on 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. A local unit of government may prohibit the operation of a cannabis business within 1,000 feet of a school, or 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including a playground or athletic field.

(d) The office shall work with local units of government to:

(1) develop model ordinances for reasonable restrictions on the time, place, and manner of the operation of a cannabis business;

(2) develop standardized forms and procedures for the issuance of a retail registration pursuant to section 342.22; and

(3) develop model policies and procedures for the performance of compliance checks required under section 342.22.

(e) If a local unit of government is conducting studies or has authorized a study to be conducted or has held or has scheduled a hearing for the purpose of considering adoption or amendment of reasonable restrictions on the time, place, and manner of the operation of a cannabis business, the governing body of the local unit of government may adopt an interim ordinance applicable to all or part of its jurisdiction for the purpose of protecting the planning process and the health, safety, and welfare of its citizens. Before adopting the interim ordinance, the governing body must hold a public hearing. The interim ordinance may regulate, restrict, or prohibit the operation of a cannabis business within the jurisdiction or a portion thereof until January 1, 2025.

(f) Within 30 days of receiving a copy of an application from the office, a local unit of government shall certify on a form provided by the office whether a proposed cannabis business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code. The office may not issue a license if the local unit of government informs the office that the cannabis business does not meet local zoning and land use laws. If the local unit of government does not provide the certification to the office within 30 days of receiving a copy of an application from the office, the office may issue a license.

(g) The office by rule shall establish an expedited complaint process to receive, review, and respond to complaints made by a local unit of government about a cannabis business. At a minimum, the expedited complaint process shall require the office to provide an initial response to the complaint within seven days and perform any necessary inspections within 30 days. Nothing in this paragraph prohibits a local unit of government from enforcing a local ordinance. If a local unit of government notifies the office that a cannabis business other than a cannabis retailer, cannabis microbusiness or cannabis mezzobusiness with a retail operations endorsement, lower-potency hemp edible retailer, or medical cannabis combination business operating a retail location poses an immediate threat to the health or safety of the public, the office must respond within one business day and may take any action described in section 342.19 or 342.21.

(h) A local government unit that issues a cannabis retailer registration under section 342.22 may, by ordinance, limit the number of licensed cannabis retailers, cannabis mezzobusinesses with a retail operations endorsement, and cannabis microbusinesses with a retail operations endorsement to no fewer than one registration for every 12,500 residents.

(i) 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.

(j) Nothing in this section shall prohibit a local government unit from allowing licensed cannabis retailers in excess of the minimums set in paragraph (h).

(k) Notwithstanding the foregoing provisions, the state shall not issue a license to any cannabis business to operate in Indian country, as defined in United States Code, title 18, section 1151, of a Minnesota Tribal government without the consent of the Tribal government.

History: *2023 c 63 art 1 s 13; 2024 c 121 art 2 s 64*

Office of the Revisor of Statutes

2024 Minnesota Statutes

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342.22 RETAILERS; LOCAL REGISTRATION AND ENFORCEMENT.

Subdivision 1. **Registration required.** Before making retail sales to customers or patients, a cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, medical cannabis combination business, or lower-potency hemp edible retailer must register with the city, town, or county in which the retail establishment is located. A county may issue a registration in cases where a city or town has provided consent for the county to issue the registration for the jurisdiction.

Subd. 2. **Registration fee.** (a) A local unit of government may impose an initial retail registration fee of $500 or up to half the amount of the applicable initial license fee under section 342.11, whichever is less. The local unit of government may also impose a renewal retail registration fee of $1,000 or up to half the amount of the applicable renewal license fee under section 342.11, whichever is less. The initial registration fee shall include the fee for initial registration and the first annual renewal. Any renewal fee imposed by the local unit of government shall be charged at the time of the second renewal and each subsequent annual renewal thereafter.

(b) The local unit of government may not charge an application fee.

(c) Registration fees are nonrefundable.

Subd. 3. **Issuance of registration.** (a) A local unit of government shall issue a retail registration to a cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness with a retail operations endorsement, cannabis retailer, medical cannabis combination business operating a retail location, or lower-potency hemp edible retailer that:

(1) has a valid license or license preapproval issued by the office;

(2) has paid the registration fee or renewal fee pursuant to subdivision 2;

(3) is found to be in compliance with the requirements of this chapter at any preliminary compliance check that the local unit of government performs; and

(4) if applicable, is current on all property taxes and assessments at the location where the retail establishment is located.

(b) 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 any applicable local ordinance established pursuant to section 342.13.

(c) A local unit of government shall renew the retail registration of a cannabis business or hemp business when the office renews the license of the cannabis business or hemp business.

(d) A retail registration issued under this section may not be transferred.

Subd. 4. **Compliance checks.** (a) A local unit of government shall conduct compliance checks of every cannabis business and hemp business with a retail registration issued by the local unit of government. During a compliance check, a local unit of government shall assess a business's compliance with age verification requirements and compliance with any applicable local ordinance established pursuant to section 342.13.

(b) A local unit of government must conduct unannounced age verification compliance checks of every cannabis business and hemp business at least once each calendar year. Age verification compliance checks must 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.

Subd. 5. **Registration suspension and cancellation; notice to office; penalties.** (a) If a local unit of government determines that a cannabis business or hemp business with a retail registration issued by the local unit of government is not operating in compliance with the requirements of a local ordinance authorized under section 342.13 or that the operation of the business poses an immediate threat to the health or safety of the public, the local unit of government may suspend the retail registration of the cannabis

business or hemp business. The local unit of government must immediately notify the office of the suspension and shall include a description of the grounds for the suspension.

(b) The office shall review the retail registration suspension and may order reinstatement of the retail registration or take any action described in section 342.19 or 342.21.

(c) The retail registration suspension must be for up to 30 days unless the office suspends the license and operating privilege of the cannabis business or hemp business for a longer period or revokes the license.

(d) The local unit of government may reinstate the retail registration if the local unit of government determines that any violation has been cured. The local unit of government must reinstate the retail registration if the office orders reinstatement.

(e) No cannabis microbusiness, cannabis mezzobusiness, 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 with a local unit of government and a valid license with any applicable endorsement from the office. A local unit of government may impose a civil penalty of up to $2,000 for each violation of this paragraph.

History: *2023 c 63 art 1 s 22; 2024 c 121 art 2 s 78*