

COUNTY OF LYON

STATE OF MINNESOTA

ORDINANCE No.: 25

AN ORDINANCE OF LYON COUNTY TO REGULATE CANNABIS BUSINESSES

Section 1	Administration
Section 2	Registration of Cannabis Business
Section 3	Requirements for a Cannabis Business (Time, Place, Manner)
Section 4	Temporary Cannabis Events
Section 5	Lower Potency Hemp Edibles

THE LYON COUNTY BOARD OF COMISSIONERS HEREBY ORDAINS AS FOLLOWS:

SECTION 1. ADMINISTRATION

Findings and Purpose:

Lyon County Board of Commissioners makes the following legislative findings. The purpose of this ordinance is to implement the provisions of Minnesota Statutes, chapter 342, which authorizes Lyon County to protect the public health, safety, and welfare of Lyon County residents by regulating cannabis businesses within the legal boundaries of Lyon County. The Lyon County Board of Commissioners finds and concludes that the proposed provisions are appropriate and lawful land use regulations for Lyon County, that the proposed amendments will promote the community's interest in reasonable stability in zoning for now and in the future, and that the proposed provisions are in the public interest and for the public good.

1.1 Authority & Jurisdiction

Lyon County has the authority to adopt this ordinance pursuant to:

- a) Minn. Stat. §342.13(c), regarding the authority of a local unit of government to adopt reasonable restrictions of the time, place, and manner of the operation of a cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses.
- b) Minn. Stat. §342.22, regarding the local registration and enforcement requirements of state-licensed cannabis retail businesses and lower-potency hemp edible retail businesses.
- c) Minn. Stat. §152.0263, Subd. 5, regarding the use of cannabis in public places.
- d) Minn. Stat. §462.357, regarding the authority of a local authority to adopt zoning ordinances.

Ordinance shall be applicable to the legal boundaries of Lyon County

One or more cities in Lyon County have delegated cannabis retail registration authority to Lyon County. A list of cities which have delegated cannabis retail registration authority is contained in Attachment A.

1.2 Severability

If any section, clause, provision, or portion of this ordinance is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of this ordinance shall not be affected thereby.

1.3 Enforcement

Lyon County is responsible for the administration and enforcement of this ordinance. Any violation of the provisions of this ordinance or failure to comply with any of its requirements constitutes a misdemeanor and is punishable as defined by law. Violations of this ordinance can occur regardless of whether or not a permit is required for a regulated activity listed in this ordinance.

1.4 Definitions

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. *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.
2. *Cannabis Retail Businesses:* A retail location and the retail location(s) of a mezzobusinesses with a retail operations endorsement, microbusinesses with a retail operations endorsement, medical combination businesses operating a retail location, and lower-potency hemp edible retailers.
3. *Cannabis Retailer:* Any person, partnership, firm, corporation, or association, foreign or domestic, selling cannabis product to a consumer and not for the purpose of resale in any form.
4. *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.
5. *Lower-potency Hemp Edible:* As defined under Minn. Stat. §342.01 subd. 50.

6. *Office of Cannabis Management:* Minnesota Office of Cannabis Management, referred to as “OCM” in this ordinance.
7. *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.
8. *Preliminary License Approval:* OCM pre-approval for a cannabis business license for applicants who qualify under Minn. Stat. §342.17.
9. *Public Place:* A public park or trail, public street or sidewalk; any enclosed, indoor area used by the general public, including, but not limited to, restaurants; bars; any other food or liquor establishment; hospitals; nursing homes; auditoriums; arenas; gyms; meeting rooms; common areas of rental apartment buildings, and other places of public accommodation.
10. *Residential Treatment Facility:* As defined under Minn. Stat. §245.462 subd. 23
11. *Retail Registration:* An approved registration issued by Lyon County to a state-licensed cannabis retail business.
12. *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.
13. *State License:* An approved license issued by the State of Minnesota’s Office of Cannabis Management to a cannabis retail business.

Section 2. Registration of Cannabis Businesses

- 2.1 No individual or entity may operate a state-licensed cannabis retail business within Lyon County without first registering with Lyon County.

- 2.2 Compliance Checks Prior to Retail Registration

Prior to issuance of a cannabis retail business registration, Lyon County shall conduct a preliminary compliance check to ensure compliance with local ordinances. Pursuant to Minn. Stat. § 342.13 within 30 days of receiving a copy of a state license application from OCM, Lyon County shall certify on a form provided by OCM whether a proposed cannabis retail business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code.

2.3 Registration & Application Procedure

Lyon County shall assess a registration fee as established in Lyon County's fee schedule and in accordance with Minn. Stat. §342.11 and §342.22.

2.3.1 Application Submittal.

- A. Lyon County shall issue a retail registration to a state-licensed cannabis retail business that adheres to the requirements of Minn. Stat. §342.22. An applicant for a retail registration shall fill out an application form, as provided by Lyon County. Said form shall include, but is not limited to:
 - i. Full name of the property owner and applicant;
 - ii. Address, email address, and telephone number of the applicant;
 - iii. The address and parcel ID for the property which the retail registration is sought;
 - iv. Certification that the applicant complies with the requirements of local ordinances established pursuant to Minn. Stat. § 342.13.
- B. The applicant shall include with the form:
 - i. A registration fee as required by the Lyon County fee schedule.
 - ii. a copy of a valid state license or written notice of OCM license preapproval;
 - iii. proof of identification which may be established only by one of the following:
 - a copy of a valid driver's license or identification card issued by Minnesota, another state, or a province of Canada, and including the photograph and date of both of the license person;
 - a valid military identification card issued by the United States Department of Defense;
 - a valid passport issued by the United States;
 - or
 - in the case of a foreign national, by a valid passport.
 - iv. evidence of adequate coverage by commercial liability insurance; which shall meet the following minimum limits of liability:
 - \$1 million each occurrence,
 - \$2 million general aggregate, and
 - \$2 million products and completed operations aggregate.

- C. Once an application is considered complete, Lyon County shall inform the applicant as such, process the application fees, and approve or deny the application. The registration fee shall be non-refundable once processed

2.3.2 Application Approval

- i. A state-licensed cannabis retail business application shall not be approved if the cannabis retail business would exceed the maximum number of registered cannabis retail businesses permitted under Section 2.6.
- ii. A state-licensed cannabis retail business application shall not be approved or renewed if the applicant is unable to meet the requirements of this ordinance.
- iii. A state-licensed cannabis retail business application that meets the requirements of this ordinance shall be approved.

2.3.3 Annual Compliance Checks.

The Lyon County Sheriff's Office or designee shall complete at minimum one compliance check per calendar year of every cannabis business to assess if the business meets age verification requirements, as required under Minn. Stat. §342.22 Subd. 4(b) and Minn. Stat. §342.24.

2.3.4 Location Change

A state-licensed cannabis retail business shall be required to submit a new application for registration under Section 2.3.2 if it seeks to move to a new location still within the legal boundaries of Lyon County.

2.4 Renewal of Registration

Lyon County shall renew an annual registration of a state-licensed cannabis retail business at the same time OCM renews the cannabis retail business' license subject to renewal fee as established in Lyon County's fee schedule. A cannabis retail registration issued under this ordinance shall not be transferred.

2.5 Suspension of Registration

Lyon County may suspend a cannabis retail business's registration if it violates the ordinance of Lyon County or poses an immediate threat to the health or safety of the public. Lyon County shall immediately notify the cannabis retail business and OCM in writing the grounds for the suspension. OCM will provide Lyon County and cannabis business retailer a response to the complaint within seven calendar days and perform any necessary inspections within 30 calendar days. The business may not make sales to customers if their registration is

suspended. Lyon County shall reinstate a registration if OCM determines that the violation(s) have been resolved. Lyon County shall reinstate a registration if it determines that the violations have been resolved and when OCM determines that the violation(s) have been resolved.

2.6 Limiting of Registrations

Lyon County shall limit the number the cannabis retail registrations within its boundaries to one registration for every 12,500 residents within county and shall not register additional state-licensed cannabis retail businesses in excess of this number.

2.7 *Civil Penalties.*

Subject to Minn. Stat. §342.22, subd. 5(e) Lyon County may a civil penalty of up to \$2,000, as specified in Lyon County's Fee Schedule, for each registration violations. Every day in which a violation occurs shall constitute a new offense.

SECTION 3. REQUIREMENTS FOR CANNABIS BUSINESSES

3.1 A cannabis retailer shall be located at least one thousand (1,000) feet from any K-12 school and at least five hundred (500) feet from any daycare, residential treatment facility, or attraction within a public park that is regularly used by minors, including a playground athletic field, measured from the property line of the cannabis retailer to the property line of the attraction. However, pursuant to Minn. Stat. §462.357 subd. 1e, nothing in this subsection shall prohibit an active cannabis business or a cannabis business seeking registration from continuing operation at the same site if a school/daycare/residential treatment facility/attraction within a public park that is regularly used by minors moves within the minimum buffer zone.

3.2 Zoning and Land Use

3.2.1 Cultivation.

Cannabis businesses licensed or endorsed for cultivation are permitted in zoning districts designated as Highway Commercial and other named Districts allowing retail business by permit, not to include Districts allowing residential uses.

3.2.2 Cannabis Manufacturer.

Cannabis businesses licensed or endorsed for cannabis manufacturer are permitted in the Districts designated as Highway Commercial and other named Districts allowing retail business by permit not to include Districts allowing residential uses.

3.2.3 Hemp Manufacturer.

Businesses licensed or endorsed for low-potency hemp edible manufacturers are permitted in districts designated as Highway Commercial and other named Districts allowing retail business by permit not to include Districts allowing

residential uses.

3.2.4 Wholesale.

Cannabis businesses licensed or endorsed for wholesale are permitted in zoning districts designated as Highway Commercial and other named Districts allowing retail business by permit not to include Districts allowing residential uses.

3.2.5 Cannabis Retail.

Cannabis businesses licensed or endorsed for cannabis retail are permitted in districts designated as Highway Commercial and other named Districts allowing retail business by permit not to include Districts allowing residential uses.

3.2.6 Cannabis Transportation.

Cannabis businesses licensed or endorsed for transportation are permitted in Districts designated as Highway Commercial and other named Districts allowing retail business by permit not to include Districts allowing residential uses.

3.2.7 Cannabis Delivery.

Cannabis businesses licensed or endorsed for delivery are permitted as a land use permit in the following zoning districts that are designated as Highway Commercial, and other named Districts allowing retail business by permit not to include Districts allowing residential uses.

3.3 Hours of Operation

Cannabis businesses are limited to retail sale of cannabis, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products between the hours of 10 AM and 9 PM., seven days a week.

3.5 Prohibited Acts

3.5.1 No person shall distribute samples of any licensed product free of charge or at a nominal cost. The distribution of cannabinoid products as a free donation is prohibited

3.5.2 No license shall be issued to a moveable place of business. Only fixed location businesses shall be eligible to be licensed under this ordinance.

3.5.3 Individuals employed by a licensed retail establishment under this ordinance must be at least 21 years of age to sell licensed products.

3.5.4 No license shall be issued to a home business.

3.5.5 No sales of cannabinoid products or cannabinoid-related devices may be completed through self-checkout. A licensee or licensee's clerk must process

each transaction at a point of sale.

3.5.6 No sales of cannabinoid products or cannabinoid-related devices may be completed via a vending machine. A licensee of licensee's clerk must process each transaction at a point of sale.

3.5.7 *Original Packaging*

No person shall sell or offer to sell any licensed product that is not in the original packaging with labeling in compliance with labeling requirements.

3.6 Advertising

Cannabis businesses are permitted to erect up to two fixed signs on the exterior of the building or property of the business, unless otherwise limited by Lyon County's sign ordinance. Portable signs, temporary signs, backlit signs and freestanding signs are prohibited.

3.7 Required Signage

3.7.1 *License*

The license of the cannabinoid product sales establishment shall be displayed in an open and conspicuous place on the premises and shown to law enforcement officers upon request.

3.7.2 *Health Warning*

All retail cannabinoid product sales establishments shall post a statement that operating a motor vehicle under the influence of intoxicating cannabinoids is illegal. The notice shall be at least 8½ inch by 11 inch in size and displayed in an open and conspicuous place on the premises.

3.7.3 *Age Minimum*

All retail establishments shall post a notice prohibiting the entering of the store by persons under 21 years of age which notice shall be in plain view of the general public on the licensed public on the licensed premises. The notice shall be at least 8½ inch by 11 inch in size and displayed in an open and conspicuous place on the premises.

Section 4. Temporary Cannabis Events.

A license or permit is required to be issued and approved by Lyon County prior to holding a Temporary Cannabis Event. Temporary Cannabis events must comply with all buffer requirements set forth in Section 3 and are prohibited in residential districts.

4.1 Lyon County shall require an application for Temporary Cannabis Events which must be submitted with the application fee as set forth by the Lyon County fee schedule and a copy of the OCM cannabis event license application, submitted

pursuant to 342.39 subd. 2. The application shall include but is not limited to: the full name of the property owner and applicant; address, email address, and telephone number of the applicant; detailed plans for the event including but not limited to: duration, hours, number of expected attendees, plans for emergency operations, shelter in case of weather, plans for security, plans for verifying minors are not allowed to attend event, and proof of liability insurance and workers compensation insurance.

- 4.2 Once an application is considered complete, the designee shall inform the applicant as such, process the application fees, and issue an approval or denial. The application fee shall be non-refundable once processed.
- 4.3 Temporary cannabis events shall only be held between the hours of 10am and 9 pm.
- 4.4 On-site consumption of cannabis during a temporary cannabis event which occurs at a place of public accommodation is prohibited. Events shall only be held between the hours of 10 a.m. and 9 p.m.
- 4.5 Lyon County shall not register any temporary cannabis event which seeks to host a temporary cannabis event on any property owned or operated by Lyon County or by any city which has delegated registration of cannabis businesses and temporary cannabis businesses to Lyon County. This prohibition includes: any park, trail, public street, county highway, or any public sidewalk, or any building owned or operated by Lyon County or any of its subdivisions.

SECTION 5: LOWER-POTENCY HEMP EDIBLES

The sale of Low-Potency Edibles is permitted, subject to the conditions within this Section.

- 5.1 Low-Potency Edibles businesses are permitted in zoning districts designated as Highway Commercial and other named Districts allowing retail business by permit not to include Districts allowing residential uses.
- 5.2 The sale of Low-Potency Edibles is permitted in a Municipal Liquor Store and in places that admit persons 21 years of age or older.
- 5.3 The sale of Low-Potency Hemp Beverages is permitted in places that meet requirements of this Section.

Date of Effect

This Ordinance shall be in full force and effect from and after its passage, approval and publication, as provided by law.

Adopted:

Published:

Effective Date: *Dec. 18, 2024*

Gary Crowley

Gary Crowley, Chair Lyon County Board of Commissioners

ATTEST: *Loren Stomberg*

Loren Stomberg, Lyon County Administrator.