

COOK COUNTY ORDINANCE 66
AN ORDINANCE TO REGULATE CANNABIS BUSINESSES
AND UNDERAGE CANNABIS POSSESSION

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The Cook County Board of Commissioners hereby ordains:

Section 1. Administration

1.1 Findings and Purpose

Cook County makes the following legislative findings:

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

Cook County finds and concludes that the proposed provisions are appropriate and lawful land use regulations for Cook 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.

1.2 Authority & Jurisdiction

Cook 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.

This Ordinance shall be applicable to the legal boundaries of Cook County.

1.3 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.

1.4 Enforcement

The Cook County Auditor is responsible for the administration of this ordinance. The Cook County Sheriff is responsible for enforcement of this ordinance. Cook County Public Health shall be responsible for compliance checks of those holding Cook County Cannabis Retail Business registrations. Unless otherwise indicated, any violation of the provisions of this ordinance or failure to comply with any of its requirements constitutes a misdemeanor and is punishable as defined by law. Violations of this ordinance can occur regardless of whether a permit is required for a regulated activity listed in this ordinance.

1.5 Definitions

1. 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.
2. Cannabis Cultivation: A cannabis business licensed to grow cannabis plants within the approved amount of space from seed or immature plant to mature plant. harvest cannabis flower from mature plant, package and label immature plants and seedlings and cannabis flower for sale to other cannabis businesses, transport cannabis flower to a cannabis manufacturer located on the same premises, and perform other actions approved by the office.
3. Cannabis Retail Businesses: A retail location and the retail location(s) of a mezzobusinesses with a retail operations endorsement, microbusinesses with a retail operations endorsement, medical combination businesses operating a retail location, excluding lower-potency hemp edible retailers.
4. Cannabis Retailer: Any person, partnership, firm, corporation, or association, foreign or domestic, selling cannabis product to a consumer and not for the purpose of resale in any form.
5. Daycare: A location licensed with the Minnesota Department of Human Services to provide the care of a child in a residence outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.
6. Lower-potency Hemp Edible: Any product that:
 - (1) is intended to be eaten or consumed as a beverage by humans;
 - (2) contains hemp concentrate or an artificially derived cannabinoid, in combination with food ingredients;
 - (3) is not a drug;
 - (4) consists of servings that contain no more than five milligrams of delta-9 tetrahydrocannabinol, 25 milligrams of cannabidiol, 25 milligrams of cannabigerol,

or any combination of those cannabinoids that does not exceed the identified amounts;

(5) does not contain more than a combined total of 0.5 milligrams of all other cannabinoids per serving;

(6) does not contain an artificially derived cannabinoid other than delta-9 tetrahydrocannabinol;

(7) does not contain a cannabinoid derived from cannabis plants or cannabis flower; and

(8) is a type of product approved for sale by the office or is substantially similar to a product approved by the office, including but not limited to products that resemble nonalcoholic beverages, candy, and baked goods.

7. Office of Cannabis Management: Minnesota Office of Cannabis Management, referred to as “OCM” in this ordinance.
8. Preliminary License Approval: OCM pre-approval for a cannabis business license for applicants who qualify under Minn. Stat. 342.17.
9. Residential Treatment Facility: As defined under Minn. Stat. 245.462 subd. 23.
10. Retail Registration: An approved registration issued by the Cook County Auditor to a state- licensed cannabis retail business.
11. 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.
12. 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 Registration of Cannabis Retail Businesses Required

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

Any state-licensed cannabis retail business that sells to a customer or patient without valid retail registration shall incur a civil penalty of \$1,000 for each violation.

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.

2.2 Compliance Checks Prior to Retail Registration

Prior to issuance of a cannabis retail business registration, Cook County Public Health & Human Services shall conduct a preliminary compliance check to ensure compliance with local ordinances.

Pursuant to Minn. Stat. 342, within 30 days of receiving a copy of a state license application from OCM, Cook 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

2.3.1 Fees.

Cook County shall not charge an application fee.

A registration fee, as established in Cook County's fee schedule, shall be charged to applicants depending on the type of retail business license applied for.

An initial retail registration fee shall not exceed \$500 or half the amount of an initial state license fee under Minn. Stat. 342.11, whichever is less. The initial registration fee shall include the initial retail registration fee and the first annual renewal fee.

Any renewal retail registration fee imposed by Cook County shall be charged at the time of the second renewal and each subsequent renewal thereafter.

A renewal retail registration fee shall not exceed \$1,000 or half the amount of a renewal state license fee under Minn. Stat. 342.11, whichever is less.

A medical combination business operating an adult-use retail location may only be charged a single registration fee, not to exceed the lesser of a single retail registration fee, defined under this section, of the adult-use retail business.

2.3.2 Application Submittal.

The Cook County Auditor shall issue a retail registration to a state-licensed cannabis retail business that adheres to the requirements of Minn. Stat. 342.22.

- (A) An applicant for a retail registration shall fill out an application form, as provided by the Cook County Auditor. 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.
 - v. Certification (provided by Auditor) that the applicant is current on all property taxes and assessments at the location where the retail establishment is located.
- (B) The applicant shall include with the form:
- i. the application fee as required in Section 2.3.1;
 - ii. a copy of a valid state license or written notice of OCM license preapproval;

- iii. if operator is a business entity, evidence of business registration with the Minnesota Secretary of State;
 - iv. evidence of adequate coverage by commercial liability insurance; which shall meet the following minimum limits of liability:
 - \$1.5 million each occurrence,
 - \$3 million general aggregate, and
 - \$3 million products and completed operations aggregate
- (C) Once an application is considered complete, the County Auditor or their designee shall inform the applicant as such, process the application fees, and forward the application to the Cook County Board of Commissioners for approval or denial.
- (D) The application fee shall be non-refundable once processed.

2.3.3 Application Approval

- (A) 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.
- (B) 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.
- (C) A state-licensed cannabis retail business application that meets the requirements of this ordinance shall be approved.

2.3.4 Annual Compliance Checks.

Cook County Public Health and Human Services shall complete at minimum one compliance check per calendar year of every cannabis business to assess if the business meets age verification requirements, and operational requirements under Minn. Stat. 342.22 Subd. 4(b) and Minn. Stat. 342.24 and this ordinance.

Cook County Public Health and Human Services shall conduct at minimum one unannounced age verification compliance check at least once per calendar year.

Age verification compliance checks shall involve persons at least 17 years of age but under the age of 21 who, with the prior written consent of a parent or guardian if the person is under the age of 18, attempt to purchase adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products under the direct supervision of a law enforcement officer or an employee of the local unit of government.

Any failures under this section must be reported to the Office of Cannabis Management.

2.3.5 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 Cook County.

2.4 **Renewal of Registration**

The Cook County Auditor shall renew an annual registration of a state-licensed cannabis retail business at the same time OCM renews the cannabis retail business' license.

A state-licensed cannabis retail business shall apply to renew registration on a form established by Cook County.

A cannabis retail registration issued under this ordinance shall not be transferred.

2.4.1 Renewal Fees.

The Cook County Auditor may charge a renewal fee for the registration starting at the second renewal, as established in Cook County's fee schedule.

2.4.2 Renewal Application.

The application for renewal of a retail registration shall include, but is not limited to all items required under Section 2.3.2 of this Ordinance.

2.4.3 History of compliance.

By way of its renewal application, the applicant shall consent to the release by OCM to the County of the State's historical compliance records related to Applicant's business. Any records related to compliance from OCM or from County-performed compliance checks shall be taken into account when renewal is considered.

2.5 **Suspension of Registration**

2.5.1 When Suspension is Warranted.

The Cook County Auditor may suspend a cannabis retail business's registration if it violates any county ordinance or state or federal law or poses an immediate threat to the health or safety of the public. The Cook County Auditor shall immediately notify the cannabis retail business in writing the grounds for the suspension.

2.5.2 Notification to OCM.

The Cook County Auditor shall immediately notify the OCM in writing the grounds for the suspension. OCM will provide Cook County Auditor and the cannabis business retailer a response to the complaint within seven calendar days and perform any necessary inspections within 30 calendar days.

2.5.3 Length of Suspension.

The suspension of a cannabis retail business registration may be for up to 30 calendar days or for the period OCM suspends the license, whichever is longer. The business may not make sales to customers while their registration is suspended.

The Cook County Auditor may reinstate a registration if it determines that the violations have been resolved.

2.5.4 Civil Penalties.

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

2.6 Limiting of Registrations

2.6.1 The Cook County Auditor shall limit the number of cannabis retail businesses to fourteen.

2.6.2 Cannabis Retail Business registrations shall be limited to two per organized township and two within the City of Grand Marais.

2.6.3 In unorganized territory, there may be only two Cannabis Retail Business licenses issued in each of the three general areas of Cook County described as follows:

- (A) Gunflint area – lying North of Township Sixty-two (62) North and West of Range Two (2) East.
- (B) Lutsen area – lying South of Township Sixty-three (63) North and within Ranges Two (2) West and Three (3) West.
- (C) Hovland-Grand Portage area – lying within Ranges Three (3), Four (4), Five (5), Six (6), and Seven (7) East.

Section 3. Requirements for Cannabis Businesses

3.1 Minimum Buffer Requirements

The Cook County Auditor shall prohibit the operation of a cannabis business within 500 feet of a school.

The Cook County Auditor shall prohibit the operation of a cannabis business within 500 feet of a day care.

The Cook County Auditor shall prohibit the operation of a cannabis business within 500 feet of a residential treatment facility.

The Cook County Auditor shall prohibit the operation of a cannabis business within 500 feet of an attraction within a public park that is regularly used by minors and includes a playground or athletic field.

Pursuant to Minn. Stat. 462.367 subd. 14, nothing in Section 3.1 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/ public park including a playground that is regularly used by minors moves within the minimum buffer zone.

3.2 Zoning and Land Use

3.2.1. Zones Permitting Cannabis Retail.

Cannabis businesses licensed or endorsed for cannabis retail are considered permitted uses in the following zoning districts:

- General Commercial Zone (GC)
- Lutsen Town Center General Commercial Zone (LTGC)
- Lutsen Mountain Top General Commercial Zone (LTGC)
- Tofte General Commercial (TGC)
- Resort Commercial/Residential Zone (RC/R) (Where part of an established Resort or Lodging facility)
- Business Development Area (BDA)

3.2.2. Zones Permitting Cannabis Retail only by Conditional or Interim Use Permit.

Cannabis businesses licensed or endorsed for cannabis retail are permitted as a Conditional or Interim Use in the following zoning districts:

- Forest, Agriculture Recreation-1 (FAR-1) – As a Home Business
- Forest, Agriculture Residential-2 (FAR-2) – As a Home Business
- Forest, Agriculture Residential-3 (FAR-3) – As a Home Business
- Lake Shore Residential (LSR) – As a Home Business
- Single Family Residential (R-1) – As a Home Business
- Lutsen Town Center Residential Incentive (LR-2) – As a Home Business
- Tofte Mixed Use Zone (TMU)
- Resort Commercial/Residential Zone (RC/R) – (Where not in conjunction with an established resort or lodging facility)
- Light Industrial Zone (LI)

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 a.m. and 10 p.m.

3.4 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 Cook County's sign ordinances.

3.5 Insurance

Business operations must be adequately covered by commercial liability insurance; which shall meet at least the following minimum limits of liability:

- \$1.5 million each occurrence,
- \$3 million general aggregate, and
- \$3 million products and completed operations aggregate

Section 4. Lower-Potency Hemp Edibles

4.1 Sale of Lower-Potency Hemp Edibles

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

4.2 Zoning Districts

Lower-Potency Edibles businesses are permitted in the same zoning districts indicated for Retail Cannabis Businesses and permitted only by Conditional Use Permit or Interim Use Permit in the same zoning districts requiring those permits for retail cannabis businesses.

4.3 Additional Standards

4.3.1 Sales within Municipal Liquor Store.

The sale of Lower-Potency Edibles is permitted in a Municipal Liquor Store.

4.3.2 Storage of Product.

Lower-Potency Edibles meant to be eaten must be stored in a locked case or behind a checkout counter where the public is not permitted, and at least one foot separated from conventional candy and gum which can be sold to children.

Lower-Potency Hemp Beverages must be stored in a location or using a method which provides increased theft prevention compared to non-hemp derived products (for example: top-shelved, continuously surveilled by technology or staff, behind the counter and/or locked); and in a location labeled clearly as containing products only for purchase/consumption by persons 21 and over.

4.3.3 Advertising of Product.

Indoor advertising for Low-Potency Hemp derived edible products and beverages shall be limited to spaces above 3 feet in height.

Outdoor advertising for Low-Potency Hemp derived edible products and beverages is limited to two fixed signs on the exterior of the building or property of the business, unless otherwise limited by Cook County’s sign ordinances.

Section 6. Prohibited Acts by Underaged Persons

- 6.1 It shall be a petty misdemeanor for a person under the age of 21 to use, possess, or transport:
- (a) Two ounces or less of cannabis flower;
 - (b) Eight grams or less of cannabis concentrate; or
 - (c) Edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.
- 6.2 It shall be a petty misdemeanor for any person to use any form of false identification to purchase or attempt to purchase cannabis or Low-Potency Hemp derived products, whether the identification is that of another person or has been modified or tampered with to falsely represent an age older than the actual age of the person using that identification.
- 6.3 A person who commits a violation of 6.1 or 6.2 of this Ordinance who has been found to have committed a violation of Section 6 of this ordinance on two or more prior occasions is guilty of a misdemeanor.

Section 7. Local Government as a Cannabis Retailer

Cook County and the City of Grand Marais each may establish, own, and operate one municipal cannabis retail business subject to the restrictions in this chapter.

The municipal cannabis retail store shall not be included in any limitation of the number of registered cannabis retail businesses under Section 2.6.

Cook County and the City of Grand Marais shall be subject to all same rental license requirements and procedures applicable to all other applicants.