

## CHAPTER 119: CANNABINOID PRODUCTS

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### **§119.01 Purpose.**

The purpose of this Section is to regulate the sale of legalized adult-use of cannabinoid products and that meets the requirements to be sold for human or animal consumption under Minnesota Statutes, section 151.72 specifically for the sale of edible cannabinoid products, provided the product sold for human consumption does not contain more than 0.3% tetrahydrocannabinol and the edible cannabinoid product does not contain an amount of any tetrahydrocannabinol that exceeds more than five milligrams of any tetrahydrocannabinol in a single serving, or more than a total of 50 milligrams of an tetrahydrocannabinol per package (THC products) for the following reasons:

- (a) The City recognizes that, based on the most reliable and up-to-date scientific evidence, the rapid introduction of newly legalized adult-use THC products, presents a significant potential threat to the public health, safety, and welfare of the residents of Cambridge, and particularly to youth.
- (b) The City has the opportunity to be proactive and make decisions that will mitigate this threat and reduce exposure of young people to the products or to the marketing of these products and improve compliance among cannabinoid product retailers with laws prohibiting the sale or marketing of cannabinoid products to minors.
- (c) A local registration and regulatory system for cannabinoid product retailers is appropriate to ensure that retailers comply with cannabinoid product laws and business standards of the City of Cambridge to protect the health, safety, and welfare of our youth and most vulnerable residents.
- (d) State law requires cannabinoid product retailers to check the identification of

purchasers to verify that they are at least 21 years of age, comply with certain packaging and labeling requirements to protect children and youth, and meet certain potency and serving size requirements.

- (e) State law authorizes the Board of Pharmacy to adopt product and testing standards in part to curb the illegal sale and distribution of cannabinoid products and ensure the safety and compliance of commercially available cannabinoid products in the state of Minnesota.
- (f) State law does not preempt the authority of a local jurisdiction to adopt and enforce local ordinances to regulate cannabinoid product businesses including, but not limited to, local zoning and land use requirements and business registration requirements.
- (g) A requirement for a cannabinoid product retailer license will not unduly burden legitimate business activities of retailers who sell or distribute cannabinoid products to adults but will allow the City of Cambridge to regulate the operation of lawful businesses to discourage violations of state and local cannabinoid Product-related laws.

In making these findings and enacting this ordinance, it is the intent of the Cambridge City Council to ensure responsible cannabinoid product retailing, allowing legal sale and access without promoting increases in use, and to discourage violations of cannabinoid product- related laws, especially those which prohibit or discourage the marketing, sale or distribution of cannabinoid products to youth under 21 years of age.

#### **§119.02 Scope.**

- (a) This Article applies to the sale of any cannabinoid product as permitted by Minn. Stat. 152.72.
- (b) This Article does not apply to the sale of any cannabidiol/CBD product as defined by this Article.
- (c) This Article does not apply to any product dispensed by a registered medical cannabis manufacturer pursuant to Minn. Stat. 152.22 to 152.37.

#### **§119.03 Definitions.**

Except as may otherwise be provided or clearly implied by context, all terms shall be given their commonly accepted definitions. The singular shall include the plural and the plural shall include the singular. The masculine shall include the feminine and neuter, and vice-versa. The term "shall" means mandatory and the term "may" means permissive. The following terms shall have the definitions given to them:

*Cannabinoid.* Any edible cannabinoid product or nonedible cannabinoid product authorized for sale in Minnesota Statute.

*Cannabidiol/CBD.* Any non-intoxicating cannabidiol not containing tetrahydrocannabinol (THC)

*Cannabinoid-related devices.* Any equipment, products or materials of any kind which are used, intended for use, or designed for use in repackaging, storing, smoking, vaporizing, or containing cannabis, or for ingesting, inhaling, or otherwise introducing cannabis or cannabis products into the human body.

*Certified hemp.* Hemp plants that have been tested and found to meet the requirements of Minnesota Statute Chapter 18K and the rules adopted thereunder by the state of Minnesota.

*Compliance checks.* The process or protocols the city uses to investigate and ensure that those authorized to sell Cannabinoid products are following and complying with the requirements of law. Compliance checks shall involve the use of persons under the age of 21 as authorized by this article. Compliance checks shall also mean the use of persons under the age of 21 who attempt to purchase cannabinoid products for educational research and training purposes as authorized by state and federal law. Compliance checks may also be conducted by other units of government for the purpose of enforcing appropriate federal, state or local laws and regulations relating to cannabinoid products.

*Delivery sale.* The sale of any cannabinoid products to any person for personal consumption and not for resale when the sale is conducted by any means other than an in-person, over-the-counter sales transaction in a registered retail establishment. Delivery sale includes, but is not limited to, the sale of any cannabinoid products when the sale is conducted by telephone, other voice transmission, mail, the internet, or app-based service. Delivery sale includes delivery by licensees or third parties by any means, including curbside pick-up.

*Edible Cannabinoid product.* Any product authorized for sale under Minn. Stat. 151.72 that is intended to be eaten or consumed as a beverage by humans, contains a cannabinoid in combination with food ingredients, and is not a drug.

*Exclusive Cannabinoid/Tobacco store.* A brick and mortar retail store which derives a majority of its revenue from tobacco, tobacco products, CBD, and/or cannabinoid products and which cannot be entered at any time by persons younger than 21 years of age except as provided herein.

*Exclusive Liquor Store.* An establishment that meets the definition of exclusive liquor store in Minnesota Statutes, section 340A.101, subdivision 10.

*Hemp.* The plant *Cannabis sativa* L. and any part of the plant, whether growing or not, including the plant's seeds, and all the plant's derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis. Industrial hemp is not marijuana as defined in Section 152.01, subdivision 9.

*Label.* The meaning given in Minnesota Statute Section 151.01, subdivision 18.

*Labeling.* All labels and other written, printed, or graphic matter that are:

- (1) affixed to the immediate container in which a product regulated under this Article is sold;
- (2) provided, in any manner, with the immediate container, including but not limited to outer containers, wrappers, package inserts, brochures, or pamphlets.; or
- (3) provided on that portion of a manufacturer's website that is linked by a scannable barcode or matrix barcode.

*Registrant* A human person registered under this Article.

*Registrant's clerk.* A person employed by a registrant to work at a sales or service counter or otherwise make sales to the registrant's customers.

*Marijuana.* All parts of the plant of any species of the genus *Cannabis*, including all agronomical

varieties, whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds or resin, but shall not include the mature stalks of such plant, fiber from such stalks, oil or cake made from the seeds of such plant, any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks, except the resin extracted therefrom, fiber, oil, or cake, or the sterilized seed of such plant which is incapable of germination.

*Matrix Barcode.* A code that stores data in a two-dimensional array of geometrically shaped dark and light cells capable of being read by the camera on a smartphone or other mobile device.

*Minor.* Any person who has not yet reached the age of 18 years.

*Moveable place of business.* Any form of business operated out of a truck, van, automobile, trailer, or other type of vehicle or transportable shelter and not a fixed address store front or other permanent type of structure authorized for sales transactions.

*Nonedible Cannabinoids.* Include, but are not limited to tablets, capsules, solutions, tinctures, or other products meant for oral administration/ingestion; creams, lotions, ointments, salves, or other products meant for topical administration; products meant to be inhaled, smoked, vaped, sprayed into nostrils, or insufflated (sniffed); and hemp flowers and buds.

*Nonintoxicating Cannabinoid.* Substances extracted from certified hemp plants that do not produce intoxicating effects when consumed by any route of administration.

*Public Place.* All areas within the City except the following:

- (1) Private residences, including the curtilage and yard;
- (2) Private property not generally accessible by the public, unless a person is explicitly prohibited from consuming the products described herein by the owner of the property; and
- (3) The premises of an establishment or event licensed by the City to permit on-site consumption of the products described herein.

*Retail establishment.* Any place of business where cannabinoid products or cannabinoid-related devices are available for sale to the general public. The phrase shall include but not limited to, grocery stores, convenience stores, restaurants and drugstores.

*Sale.* Any transfer of goods for money, trade, barter or other consideration.

*Self-service merchandising.* Open displays of licensed product in any manner where any person shall have access to the licensed product without the assistance or intervention of the licensee or the licensee's employee. Such assistance or intervention shall involve the actual physical exchange of the licensed product between the customer and the licensee or employee. Self-service sales are interpreted as being any sale where there is not an actual physical exchange of the product between the clerk and the customer. "Self-service merchandising" shall not include vending machines.

*THC.* Abbreviation for tetrahydrocannabinol.

*Vending machine.* Any mechanical, electric or electronic, or other type of self-service device which, upon the insertion of money, tokens or other form of payment, dispenses the licensed product and includes vending machines equipped with manual, electric or electronic locking devices.

**§119.04 Registration.**

No person shall sell or offer to sell any cannabinoid products or cannabinoid-related devices without first having registered with the City to do so.

- (a) *Application.* Registration to sell cannabinoid products or cannabinoid-related devices shall be made on a form provided by the City and filed, along with all required fees, with the City Clerk. The investigation fee is applied to the City's costs of the background investigation of the retail establishment and all person or entities that have at least a five percent financial interest in the retail establishment. The property must be in compliance with all applicable laws and ordinances. The public safety department shall conduct the background investigation before consideration by the City.

(1) *All registrants:*

- a. Whether the applicant/owner is an individual, corporation, partnership, or other form of organization;
- b. Full name, address, date and place of birth, and telephone number of the applicant, all owners and operators, including the designated on-site manager or agent of the registrant;
- c. The address of the premises where the retail establishment is to be located if proposed to have a fixed location in which the retail services are provided and if the registrant does not own the premises, a copy of the lease agreement to occupy the premises;
- d. Statement of whether all taxes and special assessments due and owing on the premises on which the registrant proposes to operate the licensed business are current, and if taxes are delinquent, the years for which the taxes on the premises are delinquent (this information is required by the registrant only if the registrant or other entity in which the registrant has an interest has the legal duty to pay said property taxes or assessments due and owing);
- e. The name of the business if the business is to be operated under a name or designation other than the name of the registrant. This shall be accompanied by a certified copy of the certificate required by Minn. Stats. §§ 333.01 and 333.02;
- f. Proof of general liability insurance;
- g. The registrant shall produce at time of filing registrant the registrant's proof of identification which may be established only by one of the following:
  1. 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 birth of the license person;
  2. A valid military identification card issued by the United States Department of Defense;
  3. A valid passport issued by the United States; or

4. In the case of a foreign national, by a valid passport.

For purposes of proof of identification, the "registrant" shall mean the on-site manager or agent for a retail establishment filing the registration and the natural person signing the registration for a cannabinoid product license;

- h. The registration shall identify the full name, address, date and place of birth, and telephone number of the natural person, designated by the registrant as the cannabinoid product business's on-site manager or agent, along with the notarized written consent of such a person to: (1) take full responsibility for the conduct of the registered premises operation; and (2) serve as agent for service of notices and other process relating to the registration;
- i. With respect to the owner, operator, or any person who has a five percent financial interest in the proposed licensed cannabinoid product sales business and the appointed on-site manager or agent of the registrant, information as to any and all criminal convictions of any state, county, or local law or regulation;
- j. Proof of Workers' Compensation Insurance as required by Minnesota law; and
- k. Information as to any and all criminal conviction(s) of any state, county, or local law or regulation;
- l. Such other information as the city shall require.

(2) *Individual(s) (sole proprietor):*

- a. The full name, address, date and place of birth, and telephone number of the registrant;
- b. Whether the registrant and on-site manager or agent have ever used or have been known by a name other than his or her name on the registration, and if so, the name or names used and information concerning dates and places were used;
- c. Whether the applicant is a United States citizen or is legally permitted to be in the United States and providing proof thereof;
- d. The street and city addresses at which the registrant and on-site manager or agent lived during the preceding ten years;
- e. Names, addresses, and date of the registrant's and on-site manager's or agent's employers for the preceding ten years;
- f. Whether the registrant and on-site manager or agent have ever been engaged in the operation of cannabinoid and/or tobacco product sales. If so, they shall furnish information as to the name, place, and length of time of the involvement in such an establishment; and
- g. Such other information as the City shall require.

(3) *Partnerships:*

- a. The full name(s), address(s), date and place of birth, financial interest of all general partners and all of the information concerning each general partner that is required of registrants in provision (2) of this section;
- b. The full names(s), addresses, date and place of birth, and telephone number of the manager partner(s) and the interest of each managing partner in the business;
- c. A copy of the partnership agreement shall be submitted with the registration.

The license shall be issued in the name of the partnership; and

- d. Such other information as the City shall require.

(4) *Corporations and other organizations:*

- a. The name of the corporation or business firm, and if incorporated, the state of incorporation;
- b. A copy of the certificate of incorporation shall be attached to the registration. If the registrant is a foreign corporation, a certificate of authority as required by Minn. Stats. § 303.06, shall be attached;
- c. The name of the manager(s), proprietor(s) or other agents(s) in charge of the business and all of the information concerning each manager, proprietor, or agent that is required of registrants in provision (2) of this section;
- d. A list of all persons who own or have a five percent or more interest in the corporation or organization or who are officers of said corporation or organization, together with their addresses and all the information regarding such persons as is required in paragraph (2) of this section; and
- e. Such other information as the City shall require.

(b) *Action.* The City Council may either approve or deny the Registration, or it may delay action for such reasonable period of time as necessary to complete any investigation of the application or the registrant it deems necessary. If the Council shall approve the license, the City Clerk shall issue the registration to the registrant. If the Council denies the registration, notice of the denial shall be given to the registrant along with notice of the registrant's right to appeal the Council's decision.

(c) *Registration period and renewal.* A registration issued under this chapter shall be an annual registration, expiring on December 31 of each year.

Any existing business selling cannabinoid products within the City as of the effective date of this article, shall file all required registration applications hereunder, along with the registration and investigation fees, no later than October 1, 2023.

A registration may be annually renewed, provided the registrant complies with the renewal registration process as follows:

- (1) The registrant shall complete the renewal registration materials provided by the City;
- (2) The completed renewal registration materials, along with the registration fee, shall be filed with City Clerk no later than November 30 of the renewal year;

- (3) The registrant shall provide all information regarding business ownership interest. If ownership interests have changed, an additional investigation fee is required.
- (d) *Registration and investigation fees.* The registration and investigation fees may be established by the City Council in the Ordinance Establishing Fees and Charges for any licenses or registrations it is authorized to issue.
  - (1) All registrations shall expire on the last day of December in each year. Each registration shall be issued for a period of one year, except that if a portion of the license year has elapsed when the registration request is made, a registration may be issued for the remainder of the year for a pro rata fee. In computing such fee, any unexpired fraction of a month shall be counted as one month.
- (e) *Revocation or suspension.* Any registration issued under this article may be revoked or suspended as provided in section 119.13 violations and penalties, of this article.
- (f) *Transfers.* All registrations issued under this article shall be valid only on the premises for which the registration was issued and only for the person(s) or entity to whom the registration was issued. Any attempt at transfer to another location, person, or entity shall invalidate the registration.

It is the duty of each business registrant to notify the City in writing of any change in ownership in the business. Any change in the ownership or control of the business shall be deemed equivalent to an attempt to transfer the registration, and any such registration shall be revoked 30 days after any such change in ownership or control unless the registrant has notified the City of the change in ownership by submitting a new registration request for the new owners, and the Council has approved the new registration.

Any time an additional investigation is required because of a change in ownership or control of a business, the registrant shall pay an additional investigation fee to be determined by the City. The City may at any reasonable time examine the transfer records and minute books of any business registrant to verify and identify the owners, and the City may examine the business records of any other registrant to the extent necessary to disclose the interest which persons other than the registrant have in the registered business. The Council may revoke any registration issued upon its determination that a change of ownership of a registrant has actually resulted in the change of control of the registered business so as materially to affect the integrity and character of its management and its operation, but no such action shall be taken until after a hearing by the Council on notice to the registrant.

- (h) *Moveable place of business.* No registration shall be issued to a moveable place of business. Only fixed location businesses shall be eligible to be registered under this article.
- (i) *Home business.* No registration shall be issued to a home business.
- (h) *Display of registration.*
  - (1) The registration 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.
  - (2) All exclusive Cannabinoid/Tobacco store 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 registered premises. The notice shall be at least 8½ inch by 11 inch in size.

- (i) *Issuance as privilege and not a right.* The issuance of a registration issued under this article shall be considered a privilege and not an absolute right of the registrant and shall not entitle the holder to an automatic renewal of the registration.
- (j) *Exclusive liquor store.* Pursuant to Minnesota Statute, section 340A.412, subd. 14, no registration shall be issued to an exclusive liquor store.
- (k) No registration shall be granted for any business in which the principal building is within 1,000 feet of any school or 500 feet of a licensed day care center, park, playground or athletic field.
- (l) No registration will be approved unless the premises proposed to be registered complies with all applicable zoning requirements.
- (m) Refunds. No part of the fee paid for any registration issued under this Article shall be refunded except in the following instances upon request to the City within 30 days from the happening of the event. Upon written request, a pro rata share, based on the number of months the business ceases to conduct business, of an annual registration fee for a retail registration, may be refunded to the registrant or to the registrant's estate if:
  - (1) The business ceases to operate because of destruction or damage;
  - (2) The registrant dies;
  - (3) The business ceases to be lawful for a reason other than a registration revocation;
  - (4) The registrant ceases to carry on the registered business under the registration; or
  - (5) The business ceases to operate, or is unable to fully use its registration to operate, because of a declared local, state or national emergency. A written request by the registrant is not required.

**§119.05 Basis for denial of registration.**

The following shall be grounds for denying the issuance or renewal of a registration under this article; however, except as may otherwise be provided by law, the existence of any particular ground for denial does not mean that the City must deny the registration. If a registration is mistakenly issued or renewed to a person, it shall be revoked upon the discovery that the person was ineligible for the registration under this section.

- (a) The registrant or owner(s) is under the age of 21 years.
- (b) The registrant, owner(s), the appointed on-site manager or agent of the registrant, or any person who has at least five percent interest in the proposed registered business has a:
  - 1. Conviction for, or was charged with, but convicted of a lesser charge of a crime, or is under a stay of adjudication from a charge involving a violation of any cannabinoid and/or tobacco related regulation in any other jurisdiction, theft, felony drug offense, any crime of violence as defined by Minnesota Statutes, or any other similar crime or offense within five years of the date of registration request; and/or

2. Three (3) or more City Code violations, citations, fines, or administrative penalties issued by the City of Cambridge or any other jurisdiction within the preceding five (5) years relating to cannabinoids, tobacco, or alcohol related ordinances, laws, or regulations for a business owned or operated by the registrant, owners, manager, or agent.
  - (c) The registrant or owner(s) has had a registration or license to sell cannabinoid and/or tobacco products suspended or revoked, in the City of Cambridge or in any other place, within the preceding 10 years of the date of registration request.
  - (d) The registrant or owners(s) fails to provide any information required on the registration request, or provides false or misleading information.
  - (e) The cannabinoid sales business is proposed to be operated on premises on which property taxes, assessments, or other financial claims by the state, county or city are due, delinquent, and unpaid, provided the registrant or owner(s) or other entity in which the registrant or owner(s) has an interest has the legal duty to pay said taxes, assessments, or claims due and owing.
  - (f) The registrant or owner(s) was charged with a crime that if convicted would render them ineligible for a license under this chapter but entered into a plea agreement providing for the continuance of the charge for dismissal or other delayed disposition. In such case the registrant shall be disqualified and ineligible for a license under this chapter until such time as the charge is finally dismissed.
  - (g) The registrant or owner(s) has been denied a registration under this chapter within the preceding 12 months.
  - (h) The registrant is a business that does not have an operating officer or manager who is eligible pursuant to this chapter.
    - (i) The registration request is for a home business or a moveable place of business.
    - (j) Other unforeseen circumstances or conditions exist such that the issuance of a registration may unreasonably endanger the health, safety, and welfare of the public.

**§119.06 Prohibited Acts.**

- (a) In general, it shall be a violation of this article for any person to sell or offer to sell any cannabinoid products or cannabinoid-related devices:
  - (1) By means of any type of vending machine.
  - (2) By means of self-service merchandising.
  - (3) From any form of movable place of business.
  - (4) Containing controlled substances as defined in Minn. Stat. Ch. 152.
  - (5) By delivery sale.
  - (6) By any employee under the age of 18.
  - (7) To an obviously intoxicated person.
  - (8) By any other means or to any other person, prohibited by federal, state, or

other local law, ordinance, provision, or other regulation.

- (b) Legal Age. No person shall sell any cannabinoid products or cannabinoid-related devices to any person under the age of 21 years.
  - (1) Proof of age for purchasing or consuming cannabinoid products or cannabinoid-related devices may be established only by that allowed by Minnesota Statute including but not limited to a valid driver's license or state identification card, a valid military identification card issued by the United States Department of Defense, or by a valid passport.
  - (2) Signage. Notice of the legal sales age and age verification requirement must be posted prominently and in plain view at all times at each location where licensed products are offered for sale. The required signage, which will be provided to the registrant by the City, must be posted in a manner that is clearly visible to anyone who is or is considering making a purchase.
- (c) Samples Prohibited. 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.
- (d) Hours of Sales. No sales of cannabinoid products will be allowed at the licensed premises after 10:00 p.m. and before 8:00 a.m. daily.
- (e) Self-Checkout. No sales of cannabinoid products or cannabinoid-related devices may be completed through self-checkout. A registrant or registrant's clerk must process each transaction at a point of sale.
- (f) Public Places. It is unlawful to use cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products, as defined in Minn. Stat. Section 342.01, in any Public Place anywhere in the City.
  - (1) Violation of this provision shall constitute a petty misdemeanor. Those found in violation will receive an \$80.00 citation for the first offense and a \$100.00 citation for any subsequent offense.

**§119.07 Storage and Display.**

It shall be unlawful for a registrant under this Article to allow the sale of cannabinoid products or cannabinoid-related devices by any means where by a customer may have access to such items without having to request the item from the registrant or the registrant's employee and whereby there is not a physical exchange of the cannabinoid product or cannabinoid-related devices between the registrant or his clerk and the customer. All cannabinoid product or cannabinoid-related devices shall either be stored behind a counter or other area not freely accessible to customers, or in a case or other storage unit not left open and accessible to the general public. This section does not apply to exclusive cannabinoid/tobacco stores.

**§119.08 Responsibility.**

All registrants under this article shall be responsible for the actions of their employees in regard to the sale, offer to sell, and furnishing of registered products on the registered premises, and the sale of such an item by an employee shall also be considered a sale by the registration holder.

Nothing in this section shall be construed as prohibiting the City from also subjecting the clerk to whatever penalties are appropriate under this article, state or federal law, or other applicable law or regulation.

**§119.09 Pricing and Discounting.**

- (a) Prohibition on the sale of cannabinoid products for less than the listed price. No cannabinoid retailer shall:
  - (1) Honor or accept a price reduction instrument in any transaction related to the sale of cannabinoid products to a consumer;
  - (2) Sell or offer for sale cannabinoid products through any multi-package discount or otherwise provide a consumer any cannabinoid products for less than the Listed Price in exchange for the purchase of any other cannabinoid product;
  - (3) Sell, sell at a discount, offer for sale, or otherwise provide any product other than cannabinoid products in exchange for or in consideration of the purchase of cannabinoid products;
  - (4) Sell for a nominal price or provide free of charge any cannabinoid product or cannabinoid-related devices; or
  - (5) Otherwise sell, offer for sale, or provide cannabinoid products for less than the Listed Price. In addition, cannabinoid retailers must sell, offer for sale, or provide cannabinoid products for the same listed price every day of the week in a given week.

**§119.10 Compliance checks and inspections.**

All registered premises shall be open to inspection by the City public safety officers, or other authorized City official during regular business hours. From time to time, but at least once per year, the City shall conduct compliance checks by engaging, with the written consent of their parents or guardians for individuals under age 18, persons over the age of fifteen (15) years but less than twenty-one (21) years, to enter the registered premises to attempt to purchase cannabinoid products. Persons used for the purpose of compliance checks shall be supervised by City designated public safety officers or other authorized City official. Persons used for compliance checks shall not be guilty of the unlawful purchase or attempted purchase or the unlawful possession cannabinoid products when such items are obtained as part of the compliance check. Nothing in the section shall prohibit the city from conducting compliance checks in accordance with state and federal law.

**§119.11 Criminal acts.**

Unless otherwise provided, the following acts shall be a misdemeanor.

- (a) *Sales.* It shall be a violation of this article for any person to sell any cannabinoid products to any person under the age of 21.
- (b) *Possession.* It shall be a violation of this article for any person under the age of 21 to

have in his or her possession any cannabinoid product. This subdivision shall not apply to persons under the age of 21 lawfully involved in a compliance check.

- (c) *Use.* It shall be a violation of this article for any person under age 21 to use any cannabinoid product.
- (d) *Procurement.* It shall be a violation of this article for any person under age 21 to purchase or sell or attempt to purchase or sell or otherwise obtain any cannabinoid product and it shall be a violation of this article for any person to purchase or sell to or otherwise obtain such items on behalf of a person under the age of 21. It shall further be a violation for any person to coerce or attempt to coerce a person under the age of 21 to illegally purchase or otherwise obtain or use any cannabinoid product. This subdivision shall not apply to persons under the age of 21 lawfully involved in a compliance check.

#### **§119.12 Violations.**

- (a) *Administrative procedures.* Any violation of this article may be penalized by the issuance of an administrative citation and resolved in accordance with Chapter 38 Administrative Citations, of the City Code.
- (b) *Misdemeanor prosecution.* Nothing in this section shall prohibit the City from seeking criminal prosecution under Minnesota Statutes. Whoever violates any provision of this article shall be guilty of a misdemeanor. If the City elects to seek misdemeanor prosecution, no administrative penalty shall be imposed.
- (c) *Continued violation.* Each violation, and every day in which a violation occurs or continues, shall constitute a separate offense.

#### **§119.13. Penalties.**

- (a) *Registrants.* Any retail registration issued or approved under this chapter shall be suspended for a period of time determined by subsection (b) or revoked upon finding that within one calendar year, the retail registration is responsible for three violations which fail to comply with applicable statutes, rule or article related to the sale, possession and use of cannabinoid products or cannabinoid-related devices. No suspension or revocation shall take effect until the registrant has received proper notice and has been afforded an opportunity for a hearing before the City's selected impartial examiner. The City Council may impose penalties provided in this Article on the retail registrant who sells cannabinoid products or cannabinoid-related devices products as defined in this article to any persons under the age of 21 years. Nothing in this section shall prohibit the City from seeking an administrative penalty as provided by resolution of the City Council.
- (b) *Penalty terms.* If a registrant or an employee of a registrant is found to have violated this article, the registrant shall be subject to an administrative penalty as follows:
  - (1) First violation: The City shall impose a civil fine of \$500.

a. In addition, the city may suspend the registration for a period up to 60 days. The City may agree with the registrant to waive up to ten days of suspension at a rate of two days for every eight hours of community service performed by the registrant's employee.

(2) Second violation: The City shall impose a civil fine of \$1,000.

a. In addition, the City may suspend the registration for a period up to 90 days. The City may agree with the registrant to waive up to ten days of suspension at a rate of two days for every eight hours of community service performed by the registrant's employee.

(3) Third violation: The City shall impose a civil fine of \$2,000 and suspend the registration for a minimum period of 180 days, not to exceed one year.

(c) *Other individuals.* Other individuals, other than persons under the age of 21 regulated by this chapter, found in violation of this article shall be charged an administrative penalty as provided by ordinance of the City Council.

**§119.14. Severability.**

If any section or provision of this ordinance is held invalid, such invalidity will not affect other sections or provisions that can be given force and effect without the invalidated section or provision.