



Douglas County, Minnesota
Board of Commissioners

April 1, 2025

Cannabis Retail Sales, Events, and Public Use Ordinance

Ordinance No. 040125

An ordinance providing for the regulation of cannabis retail businesses, events, and public use through the implementation of a registration process, and for the assurance of compliance with County and State standards by which businesses must be operated, events held, and cannabis use restricted in public places and places of public accommodation, for the purpose of protecting the health, safety, and welfare of Douglas County residents.

The County Board of Commissioners does hereby ordain:

SECTION I. GENERAL PROVISIONS

A. LEGAL AUTHORITY

This ordinance is adopted pursuant to the authorization and policies contained in Minn. Stat. 342.13, 342.22, and 152.0263; and the County planning and zoning enabling legislation in Minn. Stat. Ch. 394. The provisions of Minn. Stat. Ch. 342, as may be amended from time to time, are hereby adopted by reference and made a part of this ordinance as if set out in full.

B. FINDINGS and PURPOSE

Douglas County finds that the unregulated sale of cannabis, hemp, or products containing cannabis or hemp constitute public nuisances and could pose a risk to public health, safety, and welfare. It is the intent of the County to apply all rights and remedies afforded it, at law or in equity, to prevent and abate such risks and public nuisances related to the sale and use of cannabis, hemp, or products containing cannabis and hemp through the implementation of this ordinance.

Specifically, this ordinance is adopted with the following purposes:

- Protecting and promoting the health, safety and general welfare of the citizens and visitors of the County.
- Correcting and educating to prevent conditions that may adversely affect persons utilizing Cannabis retail establishments.
- Establishing inspection requirements and associated procedures involved with administering and enforcing this Ordinance.
- Limiting the number of licensed cannabis retailers, cannabis mezzobusinesses with a retail operations endorsement and cannabis microbusiness with a retail operations endorsement within the jurisdiction.

C. 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.

D. JURISDICTION

This Ordinance shall apply to all areas in Douglas County, Minnesota except areas within the incorporated limits of any municipality, however organized. Towns and municipalities within the boundaries of Douglas County may lawfully delegate cannabis retail registration authority and the authority to administer and enforce this Ordinance within their jurisdiction to the County by that local government's official act. However, nothing in this Ordinance prohibits a local government within the boundaries of Douglas County from adopting lawful ordinances addressing subjects raised under Minnesota Statutes Chapter 342, if such ordinances are no less restrictive than the provisions of this Ordinance. Douglas County assumes no responsibility to enforce any ordinances of a local unit of government within the County unless such responsibility has been approved through an official agreement between Douglas County and a local unit of government.

E. INTERPRETATION and APPLICATION

The provisions of this Ordinance shall be considered minimum requirements, shall be liberally construed in favor of Douglas County, and shall not be deemed a limitation or repeal of any other powers granted by Minnesota Statutes. This ordinance supersedes Douglas County Ordinance No. 110723, regulating the use of cannabis and cannabis derived products in public places, recorded as Doc. No. A453363 in the office of the Douglas County Recorder.

SECTION II. 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 meaning in this ordinance.

Cannabis Retail Businesses: A retail location and the retail location(s) of a mezzobusiness with a retail operations endorsement, microbusinesses with a retail operations endorsement, medical combination businesses operating a retail location, or lower-potency hemp edible retailer.

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.

County: County of Douglas, Minnesota.

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.

Hemp-derived Topical Product: A product intended for human or animal consumption that contains hemp concentrate, is intended for application externally to a part of the body of a human or animal, and does not contain cannabis flower or cannabis concentrate.

Non-ingestible Hemp-derived Product: A product not intended for human consumption, that does not contain cannabis flower or cannabis concentrate, and:

1. contains hemp plant parts; or
2. contains hemp concentrate or artificially derived cannabinoids in combination with other ingredients; and
3. includes Hemp-derived Topical Products, Hemp Grain, and/or Hemp fiber, seed, or oil.

Office of Cannabis Management: Minnesota Office of Cannabis Management, referred to as "OCM" in this ordinance.

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. The following are not considered Places of Public Accommodation: a private residence, including the individual's curtilage or yard; or a private property, not generally accessible by the public.

Place of Religious Worship: A building wherein persons regularly assemble for religious worship and which is maintained and controlled by a religious body organized to sustain public worship. Includes church, synagogue, temple, mosque or other such place for worship.

Preliminary License Approval: OCM pre-approval for a cannabis business license for applicants who qualify under Minn. Stat. §342.17.

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.

Residential Treatment Facility: As defined under Minn. Stat. §245.462 subd. 23.

Retail Registration: An approved registration issued by the County to a State-licensed cannabis retail business.

Educational Institution: A public school, including elementary, middle, secondary, or vocational centers schools, as defined under Minn. Stat. §120A.05 or a nonpublic school that must meet the reporting requirements under Minn. Stat. §120A.24.

State License: An approved license issued by the Office of Cannabis Management to a cannabis retail business.

SECTION III. INSPECTION, RESPONSIBILITY, PERMITS and LICENSES.

A. INSPECTION REQUIREMENTS

Every cannabis retail business is required to follow and comply with inspection requirements imposed by State law or regulations. In addition, any registered cannabis retail business, or those seeking registration approval, shall allow any peace officer, health officer, or properly designated officer or employee of the County at all reasonable hours to enter into and upon the business premises to inspect the premises for the purpose of determining compliance with the provisions of State law and this Ordinance.

B. LICENSE HOLDER RESPONSIBILITY

Every cannabis retail business and cannabis event organizer license holder is responsible for conduct on the licensed or permitted premises and any sale of cannabis, hemp, or products containing cannabis or hemp by an employee is the act of the cannabis retail business or cannabis event organizer license holder for the purposes of all provisions of this Ordinance.

C. PERMITS and LICENSE REQUIRED

No person, business, nor any other entity shall sell, offer to sell, or possess with intent to sell any cannabis, hemp, or any product containing cannabis or hemp without having first obtained the necessary permits, license, and registration to do so.

D. COUNTY REVIEW of STATE LICENSE APPLICATION

Pursuant to Minnesota Statute Section 342.13 (f), the County shall determine whether a proposed Cannabis Business complies with County zoning ordinances. The County may provide the OCM with additional information it believes relevant to the Cannabis Business and may share public information on the applicant. The County shall provide its report to the OCM within 30 days of receipt of the License application. If the proposed Cannabis Business does not meet zoning and land use requirements, the OCM may not issue a license. If the County fails to file its report within 30 days, the OCM may issue a license.

SECTION IV. REGISTRATION OF CANNABIS BUSINESSES

A. LIMITED NUMBER of RETAIL REGISTRATIONS

1. The County Board may limit the number of registrations for cannabis retailers and cannabis retail businesses to one registration for every 12,500 residents. If the County has one active registration for every 12,500 residents, a city or town within the County is not obligated to register a business. The ratio of registrations to County residents shall be set by a resolution of the County Board once annually at their organizational meeting.
2. Retail registrations for lower-potency hemp edible sales and medical cannabis combination businesses are required to be registered with Douglas County, but the number of such businesses shall not be limited.

B. ANNUAL REGISTRATION

1. No individual or entity may operate a state-licensed cannabis retail business within the County, or within a municipality within the County having lawfully delegated registration power to the County, without first registering such a business.
2. Application Procedure
 - a. An applicant for a retail registration shall fill out an application form, as provided by Douglas County. Said form shall require at least the following information:
 - i. Full name of the property owner;
 - ii. Full name of the applicant, if different than above;
 - iii. Mailing address, email address, and current phone number of applicant;
 - iv. The address and tax parcel ID of the property for which the retail registration is sought;
 - v. Description of the retail business, items being sold, hours of operation, and any additional information as requested by the County related to the cannabis retail business;
 - vi. Certification that the applicant complies with the requirements of local ordinances established pursuant to Minn. Stat. §342.13.
 - b. A registration fee, as established in the Douglas County Fee Schedule, shall be submitted with the application. 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. Fees shall be non-refundable once the application is processed and deemed complete.
 - c. Once an application is considered complete, Douglas County or its designee shall inform the applicant as such, process any fees, and forward the application to the Board of County Commissioners, which will approve or deny the registration request.
3. Prior to issuance of a cannabis retail business registration, Douglas County or its designee shall conduct a preliminary compliance check to ensure compliance with local ordinances.
4. The County Board shall issue a retail registration if the limit on the number of retail registrations as set forth by the County Board has not been met and the retail cannabis business:
 - a. has a valid license issued by the OCM.

- b. has paid the initial registration fee or renewal fee to the County.
- c. has been found in compliance with the requirements of Minnesota Statutes Chapter 342 at a preliminary compliance check by the County.

5. Registrations are non-transferrable.

A retail registration issued under this ordinance shall not be transferred either in name of operator or location within Douglas County. A state-licensed cannabis retail business shall be required to submit a new application for registration by a new operator or applicant, or when seeking to move to a new location still within the legal boundaries of Douglas County, either in an unincorporated area or in a municipality having lawfully delegated registration authority to the County.

6. Renewal of registration.

- a. The process for renewal of retail registration of a cannabis retail business shall be concurrent with State license renewal for such businesses.
- b. A State-licensed cannabis retail business shall apply to renew registration on a form established by the County.
- c. A renewal registration fee shall be collected with the renewal application, the amount of which shall be established on the Douglas County Fee Schedule. 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.
- d. The County Board, or it's designee, shall make decisions on registration renewals.

C. SUSPENSION or REVOCATION of REGISTRATION

- 1. If the County Board determines that a registered cannabis retail business is not operating in compliance with the requirements of Minnesota Statutes Chapter 342, this Ordinance, the Zoning Ordinance, or that the operation of the business poses an immediate threat to the health or safety of the public, the County Board may suspend the retail registration of the cannabis business or hemp business. The County shall adopt a policy as to how the above determination shall be carried out, which shall include immediate notification of the cannabis retail business in writing of the suspension and the grounds that support it.
- 2. The County shall immediately notify the OCM in writing the grounds for the suspension.

3. The suspension of a cannabis retail business registration may be for up to 30 calendar days, unless OCM suspends the license for a longer period. The business shall not make sales while the registration is suspended.
4. The County may reinstate a registration if it determines that the violations leading to the suspension have been resolved, or if the OCM orders reinstatement.
5. In addition to the grounds for revocation or suspension of a registration listed in C.1 above, the following shall also be considered potential grounds for revocation, suspension, or civil monetary penalty:
 - a. The licensee knowingly allowed or permitted illegal acts unrelated to the sale or consumption of cannabis, hemp, or products containing cannabis or hemp, on the licensed premises.
 - b. The licensee had knowledge of illegal acts unrelated to the sale or consumption of cannabis, hemp, or products containing cannabis or hemp on the licensed premises but failed to report the same to law enforcement authorities.
 - c. The licensee had knowledge of illegal acts unrelated to the sale or consumption of cannabis, hemp, or products containing cannabis or hemp on the licensed premises but failed or refused to cooperate fully with investigating law enforcement authorities.
 - d. The activities of the licensee or acts allowed or permitted by the licensee on the licensed premises create a serious danger to public health, safety, or welfare.

SECTION V. COMPLIANCE CHECKS

A. COMPLIANCE CHECKS

The County, or its designee, shall have the authority to conduct compliance checks of every cannabis retail business with a registration issued by the County. The checks shall assess compliance with age verification requirements, and compliance with State law and local Ordinances established pursuant to Minnesota Statutes Chapter 342.

B. AGE VERIFICATION COMPLIANCE CHECKS

1. The County, or its designee, shall conduct unannounced age verification compliance checks at least once each calendar year. Age verification compliance checks must involve persons at least 17 years old (with prior written consent of a parent or guardian if under age 18) but under age 21, who attempts to purchase adult-use cannabis flower or products, lower-potency hemp edibles or hemp-derived consumer products under the direct supervision of a law enforcement officer, an employee of the County, or its designee.
2. Any failure to comply with age verification as required under Minnesota Statutes Chapter 342 shall be reported to the OCM and the registered business.

SECTION VI. REGULATIONS FOR CANNABIS RETAIL BUSINESSES

A. OPERATIONAL and SALES REGULATIONS

1. Every registered cannabis retail business is required to follow and comply with all general operational requirements and prohibitions and retail sales laws and regulations for retail Cannabis businesses imposed by Minnesota Statute Chapter 342. Any violation of the requirements of state law or agency rule pertaining to the retail sale of cannabis or hemp, or products containing cannabis or hemp, shall also constitute a violation of this Ordinance.
2. The County may offer periodic employee training programs, or otherwise approve of such programs offered by others, for licensed retail establishments which sell cannabis, hemp, and products containing cannabis or hemp. An approved employee training program shall be designed to prevent violations of this Ordinance and specifically to prevent the sale to individuals under the age of 21. Participation in such programs shall be voluntary on the part of the registrant. A registered business may be required to participate in a training program approved by the County in the event of a violation of this Ordinance.

B. ADDITIONAL LOCAL REGULATIONS

1. On-site consumption of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products shall be prohibited at all registered businesses. Exceptions include an employee who is in the Registry Program to consume medical cannabis flower and medical cannabinoid products; an employee sampling products for quality control purposes consistent with Minnesota Statutes Section 342.24, subdivision 2(d); and the consumption of lower-potency hemp edibles in locations licensed for liquor on-site sale and consumption.

2. The sale of cannabis plants, cannabis flower, cannabis products, or lower-potency hemp edibles from a moveable place of business shall be prohibited.
3. A cannabis retail business is prohibited from sharing a common entrance or a premises with a business licensed for retail tobacco sales. Lower-potency hemp edible sales are exempt from this provision.
4. Cannabis businesses may not make misleading claims or false statements in any advertising or on signs within or outside of retail locations.
5. Cannabis products approved for sale at retail businesses must be stored in a locked storage areas located behind a sales counter or in another area not freely accessible to the general public.
6. Cannabis products may not be sold in packaging other than the original packaging meeting the labeling requirements of Minnesota Statutes Chapter 342 and or Minnesota Rules Chapter 9810.
7. Hours of Operation: Retail sales of cannabis, cannabis flower, cannabis products shall be prohibited between the hours of 9:00 p.m. and 10:00 a.m. any day of the week. Exceptions include the retail sales of hemp-derived consumer and topical products, and the retail sales of lower-potency hemp edibles if sold in locations currently licensed for liquor sales.
8. Setback Requirements: It shall be prohibited to operate a cannabis business within:
 - a. 1000 feet of an educational institution.
 - b. 500 feet of a licensed daycare.
 - c. 500 feet of a residential treatment facility,
 - d. 500 feet of an attraction or facility within a public park or public property that is regularly used by minors, including but not limited to bike trails, athletic fields, or playground equipment; as measured from the attraction or facility.
 - e. 500 ft from another cannabis retail business.
 - f. 500 feet of a place of religious worship (excluding cemeteries).

9. Registered retail businesses that sell hemp-derived consumer and topical products, and lower-potency hemp edibles are not subject to the setbacks in Section VI.B.8, above.
10. Pursuant to Minn. Stat. §394.36, nothing in Section VI.B.8 above shall prohibit an active cannabis business or a cannabis business seeking registration from continuing operation at the same site if one of the above listed uses is established within the minimum setback distance.
11. All zoning and land use concerning or related to Cannabis Businesses shall be governed by the provisions of the Douglas County Zoning Ordinance.

SECTION VII. TEMPORARY CANNABIS EVENTS

A. LICENSE AND REGISTRATION REQUIRED

Before organizing and holding a cannabis event as described in Minnesota Statutes Sections 342.39 and 342.40, local registration as well as a cannabis event organizer license from the OCM is required.

B. COMPLIANCE WITH SPECIAL EVENT ORDINANCE

Cannabis events organized for 1000 or more persons in attendance over the course of the event shall comply with the Douglas County Special Event Ordinance.

C. GENERAL REQUIREMENTS

1. Events licensed by the OCM for retail sales of cannabis and cannabis products shall limit the age of event participants to those 21 and older.
2. Retail sales at licensed and registered events shall be subject to compliance checks by law enforcement to assess compliance with age verification requirements, applicable operation requirements, and applicable limits on the types of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products being sold.
3. Retail sales at licensed and registered events may only be held between the hours of 10 a.m. and 9 p.m. Monday through Sunday.
4. On-site consumption of cannabis flower and cannabis products shall be prohibited at all registered cannabis events. Exceptions include an employee who is in the Registry Program to consume medical cannabis flower and medical cannabinoid

products; and the consumption of lower-potency hemp edibles in locations currently licensed for liquor sales.

SECTION VIII. CANNABIS USE IN PUBLIC PLACES.

- A. Consumption of adult-use cannabis flower and adult-use cannabis products shall be prohibited within all public places and places of public accommodation. Exceptions include an employee who is in the Registry Program to consume medical cannabis flower and medical cannabinoid products.
- B. Consumption of hemp-derived consumer products and lower-potency hemp edibles shall be prohibited in all public places and places of public accommodation, unless the public place or place of public accommodation has been licensed by OCM and registered by Douglas County to permit public consumption of hemp-derived consumer products and lower-potency hemp edibles, and possess a license for on-site liquor sales and consumption.
- C. No person shall vaporize or smoke cannabis flower, cannabis products, artificially derived cannabinoids, or hemp-derived consumer products in any location where the smoke, aerosol, or vapor would be inhaled by a minor, or where the use of tobacco products is prohibited.
- D. The use of hemp-derived topical products and non-ingestible hemp-derived products shall not be restricted in public places and places of public accommodation.

SECTION IX. ENFORCEMENT

- A. Douglas County and its duly elected, appointed, or delegated officials are 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, unless otherwise provided by law, and is punishable as defined by law, including fines, imprisonment, or both.
- B. Douglas County may initiate civil court actions or civil administrative proceedings to prevent, restrain, correct, or abate violations or threatened violations. It shall be the duty of the County Attorney to review evidence of violations, or threatened violations, and take such action as may be warranted and necessary.
 - 1. Civil penalty and procedure. The following civil penalties and procedures shall apply to address violations or threatened violations of, or noncompliance with this ordinance:

- a. Notice of Violation - A Notice of Violation (NOV) based upon known facts shall be served by the County upon the cannabis retail business by mail at the address in the license application or as otherwise provided by the cannabis retailer. The cannabis retailer shall furnish the County with a response to the NOV, to be received by the County within 30 calendar days of the issuance date of the NOV.
- b. The cannabis retailer may choose to respond to the NOV in one of the following manners:
 - i. A response admitting to the violation(s) and acceptance of the penalty shall result in no hearing being required and the applicable penalty under the Civil penalties section of this Ordinance being imposed.
 - ii. A response denying the violation(s) and/or opposing the applicable penalty shall be considered a written request for an Administrative Hearing, carried out as per Section IX.B.1.c below.
 - iii. Failure to respond to the NOV shall be deemed admission to the violation(s) and the applicable penalty under the Civil penalties section of this Ordinance shall be imposed.
- c. Hearing on Violation(s) – An Administrative Hearing may be held by the County Board at a regularly scheduled meeting, or the County Board may designate a Hearing Officer. The Hearing Officer may be an impartial employee of the County or an impartial person retained by the County to conduct the hearing. The County Board or appointed Hearing Officer shall keep a record of the hearing, make written findings of fact, and a decision following the hearing. Notices of the decisions shall be mailed to the cannabis retailer. Upon a determination that the allegations in the NOV are unsubstantiated, the matter will be dismissed. Upon a determination that a violation(s) has occurred, the Hearing Officer or County Board shall determine the penalty according to the applicable section(s) of this Ordinance. An appeal of the decision by the Hearing Officer or County Board shall be made to District Court as provided by law.
- d. Civil Penalties - A penalty of up to a \$2000 fine and/or, license suspension for up to 30 days, consistent with Section IV.C, may be imposed on a registered cannabis retail business. Upon finding that a violation of this Ordinance or of State law has occurred, and absent findings of aggravating, mitigating or extenuating circumstances, the following penalties shall apply, along with the costs of any hearing:
 - i. For a first violation within a 48 month time period - \$1,000
 - ii. For a second violation within a 48 month time period - \$2,000
 - iii. For a third violation within a 48 month time period – 30-day registration suspension and referral to the Office of Cannabis Management.

- iv. Upon a finding of aggravating circumstances, penalties in excess of those outlined in this section of this Ordinance may be imposed.
- e. Sales without Valid Registration - No cannabis retail business, cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, medical 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. A \$2,000.00 civil penalty shall be imposed against the licensee for each violation of this provision.

2. Criminal Penalty pertaining to Cannabis Use.

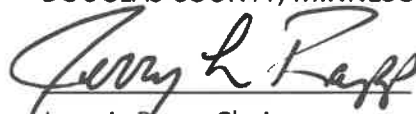
- a. A violation of the provisions of Section VIII of this Ordinance shall be a petty misdemeanor having a payable fine up to \$300. Nothing in this Ordinance prohibits the County from seeking prosecution for an alleged violation.

SECTION X. ADOPTION

The above Cannabis Retail Sales, Events, and Public Use Ordinance was approved by the Douglas County Board of Commissioners on this 1st day of April, 2025 and shall be in full force and effect after passage and publication, as required by law.

Those voting for: Meyer, Kalina, Schmidt. Those voting against: Rapp, Way.

BOARD OF COMMISSIONERS
DOUGLAS COUNTY, MINNESOTA


Jerry L. Rapp, Chair

ATTEST:



Lenae Roeser
Interim Clerk of the Board
Douglas County, Minnesota