

Memorandum

TO: City Council
FROM: Renee Eisenbeisz , Assistant City Manager
DATE: December 1, 2025
SUBJECT: Ordinance updating regulations for cannabis businesses
ITEM NUMBER: 8.k
SECTION: CONSENT AGENDA

REQUESTED MOTION

To approve ordinance 1056 and an ordinance summary for publication amending chapter 10, businesses, regarding background investigations and cannabis businesses.

INTRODUCTION

During their last three sessions, the Minnesota Legislature approved and updated statutes regarding the use and possession of cannabis, as well as regulations for cannabis businesses. Under these statutes, cities are able to enact local regulations regarding cannabis such as defining public places where it is or is not allowed to be used, capping the number of registrations the city issues, and identifying where cannabis businesses are allowed. To date, the city council approved the following items related to cannabis:

- An ordinance defining public places and outlining where adults can consume cannabis.
- An ordinance establishing zoning regulations and definitions related to cannabis businesses and use.
- An ordinance regarding business registration requirements and cannabis events.

When the last ordinance was adopted in December 2024, it was anticipated that the city council would need to update it again when the Office of Cannabis Management (OCM) began licensing lower-potency hemp edible retailers. In October 2025, OCM began this process. They also authorized a transition period through the end of the year for existing edible cannabinoid license holders to continue selling cannabinoids. With that transition period coming to an end, the city council is being asked to approve an ordinance that removes language regarding edible cannabinoids from chapter 10, article IV, along with some other minor updates.

DISCUSSION

Ordinance 1056 updates chapter 10 businesses regarding background investigations and cannabis businesses. Below is a summary of the updates.

Article II, licensing

- Background investigations - language is being added to allow the Sheriff's Office to conduct background investigations on applicants for cannabis registrations.

Article IV, cannabis businesses

- Edible cannabinoids - any language referencing edible cannabinoids is being removed

from article IV. This is due to changes in Minnesota Statutes where lower-potency hemp edibles have replaced edible cannabinoids. Lower-potency hemp edibles are already included in the definition of approved products and other regulations throughout article IV.

- Registration renewal - in talking with OCM, the city does not need to match the state for expiration dates as previously noted. Given that, staff is recommending that we remove that language and have annual registrations expire December 31 per section 10-23 of the city code. This matches expiration dates for the majority of our other licenses.
- Minimum employee age - language is being added to match state statutes.
- Prohibited sales - language is being added to allow retail businesses that prohibit those under 21 (i.e. liquor stores or cannabis retail stores) from entering to store lower-potency hemp edibles meant to be consumed as a beverage in an open area. All other stores will need to store any lower-potency hemp edible behind a counter or in a locked area. This is allowed under state statutes.

Under these updates, retailers wishing to sell lower-potency hemp edible products will need to obtain a state license, as well as register with the city. This includes secondary retailers such as gas stations, liquor stores, etc.

The city attorney has reviewed and approved these changes.

RECOMMENDATION

It's recommended that the city council approve ordinance 1056 and the ordinance summary for publication. If approved, the ordinance will go into effect January 1, 2026.

ATTACHMENTS

[Ordinance 1056](#)

[Ordinance 1056 summary](#)