

**ORDINANCE NO. 02-2025**  
**AN ORDINANCE AMENDING THE CITY CODE TO REGULATE CANNABIS BUSINESSES**  
**CITY OF LAKE SHORE**  
**COUNTY OF CASS, STATE OF MINNESOTA**

**Purpose and Intent.** The purpose and intent of this Ordinance is to adopt the Cannabis Business Ordinance Sections 1 through 6 to implement the provision of Minnesota Statutes Chapter 342, which authorizes the City of Lake Shore to protect the health, safety, and welfare of the City of Lake Shore's residents by regulating cannabis businesses within the legal boundaries of the City of Lake Shore.

**Amendments.** This ordinance hereby establishes the Lake Shore Cannabis Business Ordinance. The following underlined language will be added.

The City Council of the City of Lake Shore hereby ordains:

**LAKE SHORE CANNABIS BUSINESS ORDINANCE**

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	Use of Cannabis in Public
Section 6	Lower-Potency Hemp Edibles

Section 1. Administration

1.1 Findings and Purpose

The City of Lake Shore makes the following legislative findings:

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

The City of Lake Shore finds and concludes that the proposed provisions are appropriate and lawful land use regulations for the City of Lake Shore, 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

The City of Lake Shore 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.
- e) Ordinance shall be applicable to the legal boundaries of the City of Lake Shore.

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 City of Lake Shore 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.

1.5 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: As defined under Minn. Stat. 342.01 subd. 50.
7. Office of Cannabis Management: Minnesota Office of Cannabis Management, referred to as "OCM" in this ordinance.
8. 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.
9. Preliminary License Approval: OCM pre-approval for a cannabis business license for applicants who qualify under Minn. Stat. 342.17.
10. 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.
11. Residential Treatment Facility: As defined under Minn. Stat. 245.462 subd. 23.
12. Retail Registration: An approved registration issued by the City of Lake Shore to a state-licensed cannabis retail business.
13. 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.
14. 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 Consent to registering of Cannabis Businesses

No individual or entity may operate a state-licensed cannabis retail business within the City of Lake Shore without first registering with the City of Lake Shore.

Any state-licensed cannabis retail business that sells to a customer or patient without valid retail registration shall incur a civil penalty of up to \$2,000 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, the City of Lake Shore 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, the City of Lake Shore 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.

The City of Lake Shore shall not charge an application fee.

A registration fee, as established in the City of Lake Shore'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 the City of Lake Shore 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 City of Lake Shore 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 City of Lake Shore. 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. the registration fee as required in Section 2.3.1;
  - ii. a copy of a valid state license or written notice of OCM license preapproval;
- (C) Once an application is considered complete, the City of Lake Shore shall inform the applicant as such, process the application fees, and forward the application to the City Council 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.

The City of Lake Shore 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 and this ordinance.

The City of Lake Shore 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 the City of Lake Shore.

## 2.4 Renewal of Registration

The City of Lake Shore 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 the City of Lake Shore.

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

### 2.4.1 Renewal Fees.

The City of Lake Shore may charge a renewal fee for the registration starting at the second renewal, as established in City of Lake Shore's fee schedule.

### 2.4.2 Renewal Application.

The application for renewal of a retail registration shall include, but is not limited to:

- Items required under Section 2.3.2 of this Ordinance.

## 2.5 Suspension of Registration

### 2.5.1 When Suspension is Warranted.

The City of Lake Shore may suspend a cannabis retail business's registration if it violates the ordinance of the City of Lake Shore or poses an immediate threat to the health or safety of the public. The City of Lake Shore shall immediately notify the cannabis retail business in writing the grounds for the suspension.

### 2.5.2 Notification to OCM.

The City of Lake Shore shall immediately notify the OCM in writing the grounds for the suspension. OCM will provide the City of Shore and 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, unless OCM suspends the license for a longer period. The business may not make sales to customers if their registration is suspended.

The City of Lake Shore may reinstate a registration if it determines that the violations have been resolved.

The City of Lake Shore shall reinstate a registration if OCM determines that the violation(s) have been resolved.

2.5.4 Civil Penalties.

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

2.6 Limiting of Registrations

The City of Lake Shore shall limit the number of cannabis retail businesses to no fewer than one registration for every 12,500 residents within the City of Lake Shore.

If Cass County has one active cannabis retail business registration for every 12,500 residents, the City of Lake Shore shall not register additional state-licensed cannabis retail businesses.

Section 3. Requirements for Cannabis Businesses

3.1 Minimum Buffer Requirements

The City of Lake Shore shall prohibit the operation of a cannabis business within 1,000 feet of a school.

The City of Lake Shore shall prohibit the operation of a cannabis business within 500 feet of a day care.

The City of Lake Shore shall prohibit the operation of a cannabis business within 500 feet of a residential treatment facility.

The City of Lake Shore shall prohibit the operation of a cannabis business within 500 feet of an attraction within a public park that is regularly used by minors, including a playground or athletic field.

Pursuant to Minn. Stat. 462.357 subd. 1e, 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/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 as a conditional use in the following zoning districts:

- Rural Residential/Agriculture Zone

#### *3.2.1. Cannabis Manufacturer.*

Cannabis businesses licensed or endorsed for cannabis manufacturer are permitted as a conditional use in the following zoning districts:

- Rural Residential/Agriculture Zone

#### *3.2.1. Hemp Manufacturer.*

Businesses licensed or endorsed for low-potency hemp edible manufacturers are permitted as a conditional use in the following zoning districts:

- Rural Residential/Agriculture Zone

#### *3.2.1. Wholesale.*

Cannabis businesses licensed or endorsed for wholesale are permitted as a conditional use in the following zoning districts:

- Rural Residential/Agriculture Zone

#### *3.2.1. Cannabis Retail.*

Cannabis businesses licensed or endorsed for cannabis retail are permitted as a conditional use in the following zoning districts:

- Neighborhood Commercial Business

#### *3.2.1. Cannabis Transportation.*

Cannabis businesses licensed or endorsed for transportation are permitted as a conditional use in the following zoning districts:

- Rural Residential/Agriculture Zone

#### *3.2.1. Cannabis Delivery.*

Cannabis businesses licensed or endorsed for delivery are permitted as a conditional use in the following zoning districts:

- Rural Residential/Agriculture Zone

### 3.3 Hours of Operation

Cannabis businesses are limited to retail sale of cannabis, cannabis flower, and cannabis products between the hours of 10 a.m. and 10 p.m., Monday-Sunday.

## Section 4. Temporary Cannabis Events

### 4.1 License or Permit Required for Temporary Cannabis Events

#### 4.1.1 License Required.

A license or permit is required to be issued and approved by the City of Lake Shore prior to holding a Temporary Cannabis Event.

#### 4.1.2 Registration & Application Procedure

A registration fee, as established in City of Lake Shore's fee schedule, shall be charged to applicants for Temporary Cannabis Events.

#### 4.1.3 Application Submittal & Review.

The City of Lake Shore shall require an application for Temporary Cannabis Events.

(A) An applicant for a retail registration shall fill out an application form, as provided by the City of Lake Shore. 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;

(B) The applicant shall include with the form:

- i. the application fee as required in Section 4.1.2;
- ii. a copy of the OCM cannabis event license application, submitted pursuant to 342.39 subd. 2.

The application shall be submitted to the City of Lake Shore, or other designee for review. If the designee determines that a submitted application is incomplete, they shall return the application to the applicant with the notice of deficiencies.

(C) Once an application is considered complete, the designee shall inform the applicant as such, process the application fees, and forward the application to the City Council for approval or denial.

(D) The application fee shall be non-refundable once processed.

(E) The application for a license for a Temporary Cannabis Event shall meet the following standards:

(F) A request for a Temporary Cannabis Event that meets the requirements of this Section shall be approved.

(G) A request for a Temporary Cannabis Event that does not meet the requirements of this Section shall be denied. The City of Lake Shore shall notify the applicant of the standards not met and basis for denial.

Temporary cannabis events shall only be held at licensed retail cannabis establishments.

There shall be no onsite consumption of cannabis flower or cannabis products at Temporary Cannabis Events.

## Section 5. Use in Public Places

No person shall use cannabis flower, cannabis products, in a public place or a place of public accommodation unless the premises is an establishment or an event licensed to permit on-site

consumption of adult-use.

## Section 6. Lower-Potency Hemp Edibles

*A jurisdiction can establish different standards or requirements regarding Low-Potency Edibles. A jurisdiction can consider including the following section and subsections in their cannabis ordinance.*

### 6.1 Sale of Low-Potency Hemp Edibles

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

### 6.2 Zoning Districts

*If sales are permitted, a jurisdiction can limit what zone(s) the sales of Low-Potency Edibles can take place in. A jurisdiction can also determine if such activity requires a Conditional or Interim Use permit.*

Low-Potency Edibles businesses are permitted as allowed use in the following zoning districts:

- Neighborhood Commercial Zone
- Waterfront Commercial Zone

### 6.3 Additional Standards

#### 6.3.1 Sales within Municipal Liquor Store.

*A jurisdiction that already operates a Municipal Liquor Store may sell Low-Potency Edibles within the same store.*

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

#### 6.3.2 Age Requirements.

*A jurisdiction is able to restrict the sale of Low-Potency Edibles to locations such as bars.*

The sale of Low-Potency Edibles is permitted only in places that admit persons 21 years of age or older.

#### 6.3.3 Beverages.

The sale of Low-Potency Hemp Beverages is permitted in places that meet requirements of this Section.

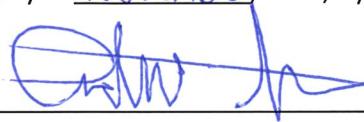
#### 6.3.4 Storage of Product.

*A jurisdiction is able to set requirements on storage and sales of Low-Potency Edibles.*

Low-Potency Edibles shall be sold behind a counter and stored in a locked case.

**Effective Date:** This ordinance amendment shall be in full force and effect from and after passage and publication according to state law.

Passed by the City of Lake Shore Council this 24<sup>th</sup> day of November, 2025, by a 4/5ths vote.



Andy Stewart, Mayor

Attest: Laura Fussy  
Laura Fussy, City Clerk