

**CITY OF CHANHASSEN
CARVER AND HENNEPIN COUNTIES, MINNESOTA**

ORDINANCE NO. XXX

AN ORDINANCE AMENDING CHAPTER 1, CHAPTER 11, AND CHAPTER 20
CHANHASSEN CITY CODE

THE CITY COUNCIL OF THE CITY OF CHANHASSEN, MINNESOTA ORDAINS:

Section 1. Section 1-2 of the City Code, City of Chanhassen, Minnesota, is hereby amended to include the following definitions:

Adult-Use Cannabis Product: As defined under Minnesota Statutes, section 342.01, subd. 4.

Cannabis: Any species of the genus cannabis plant, or any mixture or preparation of them including whole plant extracts and resins.

Cannabis Business. A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, dispensary, cannabis wholesaler, cannabis transporter, cannabis testing facility, cannabis delivery services, or medical cannabis combination business licensed, or any use otherwise authorized, under Minnesota Statutes, Chapter 342.

Cannabis Cultivation: A cannabis business licensed for planting, growing, harvesting, drying, curing, grading, or trimming of cannabis plants, cannabis flower, hemp plants, or hemp plant parts by a business licensed or authorized to cultivate cannabis or medical cannabis pursuant to Minnesota Statutes Chapter,342.

Cannabis Distribution Facility: Any building, structure, vehicle or grounds where the storage or distribution (including either retail or wholesale distribution) of cannabis is performed.

Cannabis Delivery Service: A person or entity licensed or otherwise authorized to purchase cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from licensed cannabis microbusinesses with a retail endorsement, cannabis mezzobusinesses with a retail endorsement, dispensaries, medical cannabis dispensaries, and medical cannabis combination businesses; transport and deliver cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumable products to customers; and perform other actions pursuant to Minnesota Statutes, Chapter 342.

Cannabis Laboratory: Any permanent or temporary building or structure; any mobile structure or vehicle; corporation; or other entity that examines, analyzes or tests samples of cannabis and is licensed by the State of Minnesota to do so.

Cannabis Manufacturing or Manufacturer: The process of converting or packaging harvested cannabis plant material into medical or recreational cannabis.

Cannabis Mezzobusiness: A person or entity licensed to cultivate, manufacture, and sell products containing cannabis and related supplies and products and perform other actions authorized under a cannabis mezzobusiness license pursuant to Minnesota Statutes, Chapter 342.

Cannabis Microbusiness: A person or entity licensed to cultivate, manufacture, and sell products containing cannabis and related supplies and products and perform other actions authorized under a cannabis microbusiness license pursuant to Minnesota Statutes, Chapter 342.

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.

Cannabis Retail Businesses: A state licensed 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, pursuant to Minnesota Statutes, Chapter 342.

Cannabis Testing Facility: A facility licensed to obtain and test immature cannabis plants and seedlings, cannabis flower, cannabis products, hemp plant parts, hemp concentrate, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, lower-potency hemp edible manufacturers, medical cannabis cultivators, medical cannabis processors, medical cannabis combination businesses, and industrial hemp growers pursuant to Minnesota Statutes, Chapter 342.

Cannabis Transporter: An entity licensed or otherwise authorized to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products from a cannabis business to a cannabis business pursuant to Minnesota Statutes, Chapter 342.

Cannabis or Lower-potency Hemp Edible Manufacturing: An entity licensed or otherwise authorized for the creation of cannabis concentrate and manufacture of cannabis products and hemp-derived consumer products for public consumption pursuant to Minnesota Statutes, Chapter 342, an entity licensed or authorized to purchase hemp and artificially derived cannabinoids to make hemp concentrate; manufacture artificially derived cannabinoids and hemp edibles for public consumption; package and label lower-potency hemp edibles for sale to customers; sell hemp concentrate, artificially derived cannabinoids, and lower-potency hemp edibles to other cannabis businesses and hemp businesses; and perform other actions pursuant to Minnesota Statutes, Chapter 342, or an

entity in possession of a medical cannabis processor license pursuant to Minnesota Statutes, Chapter 342.

Cannabis wholesaler: An entity licensed or authorized to obtain, store, and sell or otherwise transfer cannabis or hemp seeds, plants, flower, or other products for the purpose of resale or other transfer to a cannabis business, but not to consumers, pursuant to Minnesota Statutes, Chapter 342.

Dispensary: An entity in possession of a cannabis retailer license or otherwise authorized to acquire, possess, transfer, sell, dispense, or distributes products containing cannabis and related supplies and products pursuant to Minnesota Statutes, Chapter 342.

Lower-Potency Hemp Edible: As defined under Minn. Stat. 342.01 subd. 50.

Lower-potency hemp edible retailer: A person or entity licensed or authorized to acquire, possess, transfer, sell, dispense, or distribute lower-potency hemp edible products and related supplies and products pursuant to Minnesota Statutes, Chapter 342.

Medical Cannabis Combination Business: An entity authorized to cultivate, manufacture, and sell cannabis, hemp, and cannabis and hemp related supplies and products, and perform other actions authorized under a medical cannabis combination license pursuant to Minnesota Statutes, Chapter 342.

Office of Cannabis Management: State of Minnesota Office of Cannabis Management, as may be referred to as “OCM” in reference to this title.

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.

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

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

Retail Registration: Retail Registration: An approved registration issued by the City/Carver County to a cannabis retail business.

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

Section 2. Section 11-7 (a) of the City Code, City of Chanhassen, Minnesota, is hereby amended in its entirety to read as follows:

Sec 11-7 Public Use Of Cannabis And Hemp In Public Place

No person shall use cannabis flower, cannabis products, lower potency hemp edibles, or hemp-derived consumer 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 cannabis or hemp products.

(a) ~~Definitions. The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:~~

~~*Cannabis* means any product containing the harvested flower, bud, leaves, or stems of a plant of the genus Cannabis that has a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent on a dry weight basis. Cannabis includes adult-use cannabis flower, medical cannabis flower, and any derivative, concentrate, extract, resin, or other product made from a cannabis plant.~~

~~*Hemp* means any product containing the harvested flower, bud, leaves, or stems of a plant of the genus Cannabis that has a delta-9 tetrahydrocannabinol concentration of no more than 0.3 percent on a dry weight basis. Hemp includes any derivative, concentrate, extract, resin, or other product made from a hemp plant.~~

~~*Electronic Device* means any product containing or delivering a substance intended for human consumption through the inhalation of aerosol or vapor from the product. Electronic delivery device includes but is not limited to, devices manufactured, marketed, or sold as e-cigarettes, e-cigars, e-pipes, vape pens, mods, tank systems, or under any other product name or descriptor.~~

~~*Smoking* means inhaling, exhaling, burning, or carrying any lighted or heated cigar, cigarette, pipe, or any other lighted or heated product that is intended for inhalation. Smoking included using an electronic delivery device.~~

~~*Public Place* means property owned, leased, or controlled by a governmental unit and private property that is regularly and frequently open to or made available for use by the public in sufficient numbers to give clear notice of the property's current dedication to public use. Public Place does not include the following:~~

- ~~1) a private residence including the person's curtilage or yard;~~
 - ~~2) private property not generally accessible by the public, unless the person is explicitly prohibited from consuming cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products on the property by the owner of the property; or~~
 - ~~3) the premises of an establishment or event licensed to permit on-site consumption.~~
- ~~b) Prohibited Activity. No person shall smoke cannabis or hemp in a public place.~~
- ~~c) Penalty. Violation of this section shall be a petty misdemeanor.~~

Section 3. Article 20, Division 20-XXXIII of the Chanhassen City Code is amended to add a new Section 20-973 to read as follows:

Section 20-973 Reserved

Section 20-973 Cannabis Business Uses

(a) Purpose

The purpose of this Section is to establish provisions for the opportunity as well as controls of cannabis business uses within the City.

(b) General Performance Standards.

- (1) A cannabis business must be registered in accordance with Chapter 10 of the City Code to operate within the city.
- (2) A cannabis business must provide evidence of a state license issued under Minnesota Statutes, section 342.14 and all applicable state laws and regulations.
- (3) All cannabis businesses must be in compliance with the provisions of Chapter 20 of the City Code and all applicable state laws and regulations related to the operation of the cannabis business.
- (4) Advertising
 - a. The size, number, and location of signs for cannabis businesses must meet the regulations of the City of Chanhassen's sign ordinance.

(c) Performance Standards for Cannabis Uses in Commercial Zoning Districts

- (1) The cannabis business shall be conducted entirely with a principal structure and all outside storage is prohibited.
- (2) All waste and recycling containers shall be kept within a principle or accessory building.
- (3) Hours of operation: ten o'clock (10:00) AM to ten o'clock (10:00) PM.
- (4) Sufficient measures and means of preventing any gas, vapors, odors, smoke, debris, dust, fluids or other substances from exiting a cannabis business shall be provided for at all times.
- (5) Cannabis cultivations shall not be perceptible from the exterior of the building in which cultivation occurs.
- (6) Minimum Buffer Requirements
 - a. The City shall prohibit the operation of a cannabis business within 500 feet of a school or residential treatment facility in the Highway Business District, Central Business District, and General Business District.
 - b. Nothing in Section shall prohibit an active cannabis business or a cannabis business seeking registration from continuing operation at the same site if a school, or residential treatment facility that is regularly used by minors

moves within the minimum buffer zone.

(7) Security:

- a. Burglary alarm systems with audible and police notification components that are professionally monitored and maintained in good working condition shall be installed on all doors, windows, and access points.
- b. Surveillance cameras shall be installed and operate twenty-four (24) hours a day, seven (7) days a week, with thirty (30) day video storage, to monitor all entrances and trash receptacles, along with the interior and exterior of the premises shall be required.
- c. Exterior lighting shall be required sufficient for observers to see and for cameras to record, that is either constantly on or activated by motion detectors.
- d. Deadbolt locks shall be installed and utilized on all exterior doors and locks shall be installed on all other windows or access points.
- e. Additional security requirements including, but not limited to, security guards, fencing, steel doors, and steel window coverings may be required as determined by city staff.

(d) Performance standards for Cannabis Uses in Industrial Zoning Districts

- (1) The cannabis business shall be conducted entirely with a principal structure and all outside storage is prohibited.
- (2) All waste and recycling containers shall be kept within a principle or accessory building.
- (3) Hours of operation: seven o'clock (7:00) AM to ten o'clock (10:00) PM. Retail operation (microbusiness license only) is limited to ten o'clock (10:00) AM to ten o'clock (10:00) PM.
- (4) All on-site consumption of cannabis (in a microbusiness licensed facility only) shall be entirely indoors.
- (5) Sufficient measures and means of preventing any gas, vapors, odors, smoke, debris, dust, fluids or other substances from exiting a cannabis business shall be provided for at all times.
- (6) Cannabis cultivation shall not be perceptible from the exterior of the building in which cultivation occurs.

(7) Security:

- a. Burglary alarm systems with audible and police notification components that are professionally monitored and maintained in good working condition shall be installed on all doors, windows, and access points.
- b. Surveillance cameras are required and must operate twenty-four (24) hours a day, seven (7) days a week, with thirty (30) day video storage, to monitor all entrances and trash receptacles, along with the interior and exterior of the premises.
- c. Exterior lighting shall be required sufficient for observers to see and for cameras to record, that is either constantly on or activated by motion detectors.
- d. Deadbolt locks shall be installed and utilized on all exterior doors and locks shall be installed on all other windows or access points.
- e. Additional security requirements including, but not limited to, security guards, fencing, steel doors, and steel window coverings may be required as determined by city staff.

(8) Vehicles:

- a) All vehicles stored on site shall comply with provisions in Chapter 20 of this title and shall be enclosed in a secured fenced area. No non-business related vehicles shall be stored on site.

Section 4. Section 20-712 of the City Code (“BH” Highway and Business Services District, Permitted Uses), City of Chanhassen, Minnesota, is hereby amended to add the following uses alphabetized accordingly within the Section:

Cannabis Retailer/Dispensary meeting performance standards of Chapter 20, Section 973.

Cannabis Medical Retailer/Dispensary meeting performance standards of Chapter 20, Section 973.

Lower-potency hemp edible retailer.

Section 5. Section 20-732 of the City Code, (“CBD” Central Business District, Permitted Uses), City of Chanhassen, Minnesota, is hereby amended to add the follow uses alphabetized accordingly within the Section:

Cannabis Retailer/Dispensary meeting performance standards of Chapter 20, Section 973.

Cannabis Medical Retailer/Dispensary meeting performance standards of Chapter 20, Section 973.

Lower-potency hemp edible retailer.

Section 6. Section-20-752 of the City Code (“BG” General Business District, Permitted Uses), City of Chanhassen, Minnesota, is hereby amended to add the following uses alphabetized accordingly within the Section:

Cannabis Retailer/Dispensary meeting performance standards of Chapter 20, Section 973.

Cannabis Medical Retailer/Dispensary meeting performance standards of Chapter 20, Section 973.

Lower-potency hemp edible retailer.

Section 7. Section 20-812 of the City Code (“IOP” Industrial Office Park, Permitted Uses), City of Chanhassen, Minnesota, is hereby amended to add the following uses alphabetized accordingly within the Section:

Cannabis Businesses: cultivator (including medical), manufacturer (including medical and lower potency Hemp edible), mezzobusiness, testing facility, and wholesaler meeting the performance standards in Chapter 20, Section 973.

Cannabis Businesses: microbusiness, medical combined transporter and delivery service, transporter and delivery service meeting the performance standards in Chapter 20, Section 973.

Section 9. This ordinance shall be effective immediately upon its passage and publication.

PASSED AND ADOPTED this ____ day of _____, 2024, by the City Council of the City of Chanhassen, Minnesota

Jenny Potter, City Clerk

Elise Ryan, Mayor

(Published in the _____ on _____)