

**ROSEAU CITY COUNCIL SPECIAL MEETING
THURSDAY – July 27, 2023 at 8:00 A.M.
Roseau City Council Chambers**

The special meeting of the Roseau City Council was held on the above date, time and place. Members present were, Mayor Dan Fabian, Councilmembers: Pat Novacek, Brady Johnson, Amy Bassingthwaite, and Mary Hayes; CDC Todd Peterson, City Attorney Michelle Moren and Liquor Store Manager Niki Johnson.

Mayor Dan Fabian called the meeting to order and the Pledge of Allegiance was said.

There was four items on the agenda for the special meeting:

- Public Hearing to consider Ordinance 46 an Interim Ordinance Authorizing a Study and Imposing a Moratorium on the Operations of Cannabis Businesses within the City of Roseau
- Public Hearing to consider an Ordinance Amending Title XI of the Roseau City Code by Adding Chapter 114 – Regulating Tetrahydrocannabinol Products
- Set a Public Hearing for August 7, 2023 at 5:25 pm for the amendment and potential adoption of a revised Business Subsidy Policy
- Set a Public Hearing for August 7, 2023 at 5:30 pm on a proposed Tax Abatement for the Ten01 Apartment project.

Councilmember Brady Johnson motioned, seconded by Councilmember Pat Novacek to open the public hearing on Ordinance #46. The motion passed by unanimous vote.

- No Comments were provided at the public hearing and no comments were received by the City prior to the public hearing.
- City Attorney Moren noted that nothing will be happening until January 2025 when the State sets up its office of cannabis management and provides retail licenses, however this moratorium will protect the city and provide time to work with other jurisdictions in the county.

Councilmember Pat Novacek motioned, seconded by Amy Bassingthwaite to close the public hearing. The motion was passed by unanimous vote.

Councilmember Pat Novacek motioned, seconded by Mary Hayes to move to adopt Ordinance #46 for its consideration.

There was discussion regarding the use of cannabis in public locations such as public streets, sidewalks, and parks. Attorney Moren noted that she was working on language to cover that item, but that it was not included in Ordinance #46 as presented.

After discussion Councilmember Pat Novacek amended his original motioned, which was seconded by Councilmember Mary Hayes to move to adopt an amended Ordinance #46 with the inclusion of a clause which prohibits the use of cannabis in any public spaces within the City of Roseau beginning on August 1, 2023. The motion passed by unanimous vote.

**CITY OF ROSEAU
ROSEAU COUNTY, MINNESOTA**

ORDINANCE NO. 46 (THIRD SERIES)

**AN INTERIM ORDINANCE AUTHORIZING A STUDY AND IMPOSING A
MORATORIUM ON THE OPERATIONS OF CANNABIS BUSINESSES WITHIN
THE CITY OF ROSEAU AND PROHIBITING THE USE OF CANNABIS IN PUBLIC
PLACES.**

**THE CITY COUNCIL OF THE CITY OF ROSEAU HEREBY ORDAINS AS
FOLLOWS:**

WHEREAS, the Minnesota Legislature recently enacted, and the Governor signed, 2023 Minnesota Session Laws, Chapter 63-H.F. No. 100 (the “Act”), which is an act *“relating to cannabis; establishing the Office of Cannabis Management; establishing an advisory council; requiring reports relating to cannabis use and sales; legalizing and limiting the possession and use of cannabis and certain hemp products by adults; providing for the licensing, inspection, and regulation of cannabis businesses and hemp businesses; establishing licensing fees; requiring testing of cannabis flower, cannabis products, and certain hemp products; requiring labeling of cannabis flower, cannabis products, and certain hemp products; limiting the advertisement of cannabis flower, cannabis products, cannabis businesses, and hemp businesses; providing for the cultivation of cannabis in private residences; transferring regulatory authority for the medical cannabis program; providing for Tribal medical programs; taxing the sale of cannabis flower, cannabis products, and certain hemp products; establishing grant and loan programs; clarifying the prohibition on operating a motor vehicle while under the influence of certain products and chemicals; amending criminal penalties; establishing expungement procedures for certain individuals; requiring reports on expungements; providing for expungement of certain evictions; clarifying the rights of landlords and tenants regarding use of certain forms of cannabis; establishing labor standards for the use of cannabis flower, cannabis products, and certain hemp products by employees and testing of employees; providing for the temporary regulation of certain edible cannabinoid products; providing for professional licensing protections; providing for local registration of certain cannabis businesses operating retail establishments; amending the scheduling of marijuana and tetrahydrocannabinols; classifying data; making miscellaneous cannabis-related and hemp-related changes and additions; making clarifying and technical changes; requiring reports; transferring money; appropriating money; amending Minnesota Statutes 2022, sections 13.411, by adding a subdivision; 13.871, by adding a subdivision; 18K.02, subdivision 5; 34A.01, subdivision 4; 97B.065, subdivision 1; 144.99, subdivision 1; 144A.4791, subdivision 14; 151.72; 152.01, subdivision 9, by adding subdivisions; 152.02, subdivisions 2, 4; 152.021, subdivisions 1, 2; 152.022, subdivisions 1, 2; 152.023, subdivisions 1, 2; 152.024, subdivision 1; 152.025, subdivisions 1, 2; 152.11, subdivision 2; 152.22, by adding subdivisions; 152.29, subdivision 4, by adding a subdivision; 152.30; 152.32; 152.33,*

subdivision 1; 152.35; 169A.03, by adding subdivisions; 169A.20, subdivision 1; 169A.31, subdivision 1; 169A.51, subdivisions 1, 4; 169A.72; 175.45, subdivision 1; 181.938, subdivision 2; 181.950, subdivisions 2, 4, 5, 8, 13, by adding a subdivision; 181.951, subdivisions 4, 5, 6, by adding subdivisions; 181.952, by adding a subdivision; 181.953; 181.954; 181.955; 181.957, subdivision 1; 192A.555; 244.05, subdivision 2; 245C.08, subdivision 1; 256.01, subdivision 18c; 256B.0625, subdivision 13d; 256D.024, subdivisions 1, 3; 256J.26, subdivisions 1, 3; 270B.12, by adding a subdivision; 270C.19, by adding a subdivision; 273.13, subdivision 24; 275.025, subdivision 2; 290.0132, subdivision 29; 290.0134, subdivision 19; 297A.61, subdivision 3; 297A.67, subdivisions 2, 7, by adding a subdivision; 297A.70, subdivisions 2, 4, 18; 297A.85; 297D.01; 297D.04; 297D.06; 297D.07; 297D.08; 297D.085; 297D.09, subdivision 1a; 297D.10; 297D.11; 340A.402, subdivision 1; 340A.412, subdivision 14; 360.0752, subdivision 2; 461.12, by adding a subdivision; 484.014, subdivision 3; 504B.171, subdivision 1; 609.135, subdivision 1; 609.2111; 609.2112, subdivision 1; 609.2113, subdivisions 1, 2, 3; 609.2114, subdivisions 1, 2; 609.5311, subdivision 1; 609.5314, subdivision 1; 609.5316, subdivision 2; 609A.01; 609B.425, subdivision 2; 609B.435, subdivision 2; 624.712, by adding subdivisions; 624.713, subdivision 1; 624.714, subdivision 6; 624.7142, subdivision 1; 624.7151; proposing coding for new law in Minnesota Statutes, chapters 3; 116J; 116L; 120B; 144; 152; 169A; 270C; 289A; 295; 340A; 477A; 504B; 609A; 624; proposing coding for new law as Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2022, sections 151.72; 152.027, subdivisions 3, 4; 152.21; 152.22, subdivisions 1, 2, 3, 4, 5, 5a, 5b, 6, 7, 8, 9, 10, 11, 12, 13, 14; 152.23; 152.24; 152.25, subdivisions 1, 1a, 1b, 1c, 2, 3, 4; 152.26; 152.261; 152.27, subdivisions 1, 2, 3, 4, 5, 6, 7; 152.28, subdivisions 1, 2, 3; 152.29, subdivisions 1, 2, 3, 3a, 4; 152.291; 152.30; 152.31; 152.32, subdivisions 1, 2, 3; 152.33, subdivisions 1, 1a, 2, 3, 4, 5, 6; 152.34; 152.35; 152.36, subdivisions 1, 1a, 2, 3, 4, 5; 152.37.

WHEREAS, the Act provides local units of government with regulatory authority related to cannabis businesses, including: (1) the authority to require local registration of certain cannabis businesses operating retail establishments; (2) the authority to adopt reasonable restrictions on the time, place, and manner of the operation of a cannabis business, provided that any such restrictions do not prohibit the establishment or operation of a cannabis business; (3) the authority to limit the number of certain cannabis businesses based upon community population; and (4) the authority to prohibit the operation of a cannabis business within 1,000 feet of a school, or 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including a playground or athletic field; and

WHEREAS, the Act establishes the Office of Cannabis Management (OCM) effective July 1, to work with local units of government to develop model ordinances for reasonable restrictions on the time, place, and manner on the operation of cannabis businesses. The OCM is also required to establish additional rules and regulations relating to the operation of those businesses; and

WHEREAS, the Act, as set forth in Minnesota Statutes §342.13(e), authorizes the governing body of local unit of government which is conducting studies or has authorized a

study to be conducted or has held or has scheduled a hearing for the purpose of considering adoption or amendment of reasonable restrictions on the time, place, and manner of the operation of a cannabis business, to adopt an interim ordinance applicable to all or part of its jurisdiction for the purpose of protecting the planning process and the health, safety, and welfare of its citizens. Before adopting the interim ordinance, the governing body must hold a public hearing. The interim ordinance may regulate, restrict, or prohibit the operation of a cannabis business within the jurisdiction or a portion thereof until January 1, 2025.

WHEREAS, the City of Roseau (the “City”), as the local unit of government, will be conducting studies to determine reasonable restrictions on the time, place, and manner of the operation of cannabis businesses, and the City seeks to review OMC model ordinances, rules, and regulations to assist in developing regulations; and

WHEREAS, due to the significant changes in Minnesota law resulting from enactment of the Act, and due to the lack of currently available OCM model ordinances, the City wishes to adopt an interim ordinance for the purposes of protecting the planning process and the health, safety, and welfare of its citizens; and

WHEREAS, the City held a public hearing on July 27th, 2023 at 8:00 am at City Council Chambers regarding the consideration and adoption of the interim ordinance prohibiting the operation of cannabis businesses with the City of Roseau until January 1, 2025, or until the interim ordinance is repealed, whichever occurs first. The City also considered the prohibition of cannabis in public places. Following public hearing the City Council of the City of Roseau ordained as follows:

SECTION 1. AUTHORIZATION OF STUDY. The City Council hereby authorizes and directs City Staff and legal counsel to conduct a study regarding the adoption or amendment of reasonable restrictions on the time, place, and manner of the operation of cannabis businesses in the City of Roseau, together with the study of any other recommended and authorized local regulations as set forth in the Act. Staff and counsel shall review OCM model ordinances when available. Staff and counsel shall provide recommendations to the City Council regarding the adoption of regulations.

SECTION 2. MORATORIUM. The City of Roseau hereby imposes a moratorium on the operation of any cannabis business within the City. No business, person, or entity may establish or operate a cannabis business within the jurisdictional boundaries of the City of Roseau until January 1, 2025 or until ordinances regulating such cannabis business become effective, or until the Council rescinds this interim ordinance. During the moratorium, it will be deemed a violation of this Ordinance for any business, person, or entity to establish or operate a cannabis business within the City.

SECTION 3. USE OF CANNABIS IN PUBLIC PLACES PROHIBITED.

A. It is unlawful to use by ingestion, smoking, or vaping any cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products, as defined in Minn. Stats. §342.01, in public places anywhere in the City.

B. As used in this section, public places include all areas contained within the City boundaries, including all City parks and camping locations, 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 cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products on the property by the owner of the property.

SECTION 4. ENFORCEMENT. This interim ordinance may be enforced by criminal prosecution as set forth in Minnesota law. Further, the City may enforce this interim ordinance by injunction or other civil remedy in district court. A violation of this interim ordinance is also subject to the City’s general penalty clause in section 154.99 of the Roseau City Code.

SECTION 5. EFFECTIVE DATE AND EXPIRATION DATE. This ordinance shall be in full force and effect from and after its passage and publication according to law and shall expire upon the earlier of the following events: (a) adoption of ordinances regulating such uses, until the Council rescinds or terminates the Interim Ordinance establishing a moratorium, or January 1, 2025.

Dated this 27th day of July 2023.

**RESOLUTION NO. 41-23
OF THE CITY OF ROSEAU AUTHORIZING SUMMARY PUBLICATION OF AN
ORDINANCE.**

At a special meeting of the City Council of the City of Roseau, Minnesota, held on Thursday, July 27th, 2023, at 8:00 a.m., following a public hearing a Motion was made by Councilperson Amy Bassingthwaite for passage of the following Resolution:

THE CITY COUNCIL OF THE CITY OF ROSEAU, MINNESOTA DOES HEREBY RESOLVE AS FOLLOWS:

WHEREAS, On July 27th, 2023, following public hearing, the City Council of the City of Roseau adopted Ordinance Number 46 (Third Series) an Interim Ordinance Authorizing a Study and Imposing a Moratorium on the Operations of Cannabis Businesses within the city of Roseau (“Interim Cannabis Ordinance”), which Ordinance is effective upon publication.

WHEREAS, The City Council of the City of Roseau has determined the publication of the title and a summary is prudent due to the lengthy nature of “**AN INTERIM ORDINANCE AUTHORIZING A STUDY AND IMPOSING A MORATORIUM ON THE**

OPERATIONS OF CANNABIS BUSINESSES WITHIN THE CITY OF ROSEAU AND PROHIBITING THE USE OF CANNABIS IN PUBLIC PLACES”.

WHEREAS, Pursuant to Minnesota Statutes 412.191, Subdivision 4 and M.S. 331A.01, Subd. 10, the Council may, by a majority vote of its members, direct that only the title of the Ordinance and a summary be published with notice that a printed copy of the Ordinance is available for inspection by any person during regular office hours at the City Offices; and

WHEREAS, Prior to the publication of the title and summary, the Council has read and approved the text of the summary and determined that it clearly informs the public of the intent and effect of the Ordinance; and

WHEREAS, The Council finds that the text of the Summary Publication of Ordinance Number 114 attached clearly informs the public of the nature and intent of the proposed Ordinance.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ROSEAU, MINNESOTA, that the Council approves by at least 4/5 vote, the Summary Publication of **ORDINANCE NUMBER 46 (THIRD SERIES) AN INTERIM ORDINANCE AUTHORIZING A STUDY AND IMPOSING A MORATORIUM ON THE OPERATIONS OF CANNABIS BUSINESSES WITHIN THE CITY OF ROSEAU AND PROHIBITING THE USE OF CANNABIS IN PUBLIC PLACES.**

BE IT FURTHER RESOLVED: the publication shall read as follows:

**SUMMARY PUBLICATION FOR CITY OF ROSEAU – ORDINANCE NUMBER 46
(THIRD SERIES)**

“ORDINANCE NUMBER 46 (THIRD SERIES) AN INTERIM ORDINANCE AUTHORIZING A STUDY AND IMPOSING A MORATORIUM ON THE OPERATIONS OF CANNABIS BUSINESSES WITHIN THE CITY OF ROSEAU AND PROHIBITING THE USE OF CANNABIS IN PUBLIC PLACES.

Summary: Ordinance Number 46 (Third Series) was introduced by the Roseau City Council on July 10, 2023 and following public hearing was adopted by the Roseau City Council on July 27, 2023.

The purpose of this Interim Ordinance is to authorize a study related to the establishment and operation of cannabis businesses within the City of Roseau. The City will be undergoing a study regarding the adoption or amendment of reasonable restrictions on the time, place, and manner of the operation of cannabis businesses in the City of Roseau, together with the study

of any other recommended and authorized local regulations as set forth in the newly enacted Cannabis Act. During the term of this Ordinance, no business, person, or entity may establish or operate a cannabis business in the City of Roseau. The ordinance further prohibits the use of cannabis in public places. This ordinance will remain in full force and effect until the City adopts regulations regarding these uses, or determines no regulations are necessary and rescinds the interim ordinance or until January 1, 2025, whichever occurs first.

This summary is adopted pursuant to Minn. Stat. §412.191, Subd. 4. A printed copy of the entire Ordinance is available for inspection and copying at the Roseau City Office located at Roseau City Center, 121 Center Street East, Suite 202, Roseau, Minnesota 56751, or by standard or electronic mail.

ADOPTED by the City Council of the City of Roseau this 27th day of July, 2023.

APPROVED:

/s/ Dan Fabian
Mayor

ATTEST:

/s/Elizabeth Carlson
City Clerk-Treasurer

This Motion for Resolution was seconded by Councilperson Brady Johnson, and upon a vote being taken, the following voted in favor: Mayor Fabian, Councilmembers Johnson, Bassingthwaite, Hayes and Novacek

WHEREAS, the Council has by at least 4/5 vote approved this summary publication on the 27th day of July, 2023.

APPROVED:

/s/ Dan Fabian
Mayor

ATTEST:

/s/Elizabeth Carlson
City Clerk-Treasurer

Councilmember Brady Johnson motioned to open the public hearing on an ordinance amending Title XI of the Roseau City Code by adding Chapter 114 – Regulating Tetrahydrocannabinol Products, seconded by Councilmember Amy Bassingthwaite and approved by unanimous vote.

- No comments were provided at the public hearing or prior to the public hearing.

Councilmember Amy Bassingthwaite motioned to close the public hearing, seconded by Councilmember Pat Novacek and approved by unanimous vote.

City Attorney Moren noted that the only changes to the ordinance as presented to the Council at the last meeting was to set the license fee for the sale of THC products at \$2,000. The State licensing system for establishments seeking to sell THC products is not ready to register businesses yet. Attorney Moren will provide the city clerk-treasurer's office with the necessary licensing information for any local businesses desiring to sell THC products.

After discussion Councilmember Amy Bassingthwaite motioned, seconded by Councilmember Brady Johnson to approve the Ordinance amending Title XI of the Roseau City Code by adding Chapter 114 – Regulating Tetrahydrocannabinol Products.

There was discussion about moveable or pop-up businesses and whether anyone could sell at locations other than at their physical storefront. It was discussed that the language should be modified to make it clear that sales of THC products can only occur at the physical location of the licenses seller an not at a off-site location.

After further discussion Councilmember Amy Bassingthwaite amended her motion, which was seconded by Councilmember Brady Johnson to approve the Ordinance amending Title XI of the Roseau City Code by adding Chapter 114 Regulating Tetrahydrocannabinol Products as amended to include a clause under Moveable Place of Business requiring that all sales of THC products must be completed on the licensed premises. The motion passed by unanimous vote.

AN ORDINANCE AMENDING TITLE XI OF THE ROSEAU CITY CODE BY ADDING CHAPTER 114 - REGULATING TETRAHYDROCANNABINOL PRODUCTS

THE CITY COUNCIL OF THE CITY OF ROSEAU HEREBY ORDAINS AS FOLLOWS:

SECTION 1. AMENDMENT. City Code Title XI is amended by adding Chapter 114 as follows:

TETRAHYDROCANNABINOL PRODUCTS

114.01. PURPOSE AND INTENT.

The purpose of this chapter is to regulate the sale of legalized adult-use of any product that contains tetrahydrocannabinol and that meets the requirements to be sold for human or animal consumption under Minn. Stat. §151.72, as amended also known as “THC Products” for the following reasons:

(a) Minn. Stat. §151.72 allows the sale of certain products containing tetrahydrocannabinol, also known as “THC”.

(b) Minn. Stat. §151.72, as amended in 2023, does not prohibit municipalities from adopting and enforcing local ordinances to regulate THC product businesses including, but not limited to, local zoning and land use requirements and business license requirements.

(c) The National Institute of Health has raised concerns about the safety of THC products, including for medical purposes, especially for youth.

(d) The City recognizes the danger THC use presents to the health, welfare, and safety of youth in Roseau.

(e) The Minnesota Legislature recognized the danger of THC product use among the public at large by setting potency and serving size requirements.

(f) The Minnesota Legislature recognized the danger of THC product use among youth by prohibiting the sale of any product containing THC to those under the age of 21, requiring that edible THC products be packaged without appeal to children and in child-resistant packaging or containers.

(g) 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 THC product retailers with laws prohibiting the sale or marketing of THC products to youth.

(h) A local regulatory system for THC product retailers is appropriate to ensure that retailers comply with THC product laws and business standards of the City of Roseau to protect the health, safety, and welfare of our youth and most vulnerable residents.

(i) A requirement for a THC product retailer license will not unduly burden legitimate business activities of retailers who sell or distribute THC products to adults but will allow the City of Roseau to regulate the operation of lawful businesses to discourage violations of state and local THC Product-related laws.

(j) Restrictions as to time and place for sale or distribution of THC products will not unduly burden legitimate business activities of retailers.

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

114.02 DEFINITIONS.

Except as may otherwise be provided or clearly implied by context, all terms shall be given their commonly accepted definitions. The following words, terms, and phrases, when used in this

article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

COMPLIANCE CHECKS. The system the City uses to investigate and ensure that those authorized to sell licensed products are following and complying with the requirements of this article. Compliance checks involve the use of persons under 21 who purchase or attempt to purchase licensed products. Compliance checks may also be conducted by the City, Roseau County Sheriff's Department, or other units of government, or other designee of the City of Roseau, for educational, research, and training purposes, or for investigating or enforcing Federal, State, or local laws and regulations relating to licensed products.

EXCLUSIVE LIQUOR STORE. An establishment that meets the definition of exclusive liquor store in Minn. Stat. § 340A.101, subd. 10.

LICENSED PRODUCT OR THC PRODUCT. Any product that contains more than trace amounts of tetrahydrocannabinol and that meets the requirements to be sold for human or animal consumption under Minn. Stat. §151.72, as may be amended from time to time. Licensed product does not include medical cannabis as defined in Minn. Stat. §152.22, subd. 6, as may be amended from time to time, , excluding "medical cannabis" as defined by Minn. Stat. §152.22, Subd. 6, as the same may be amended from time to time.

MOVEABLE PLACE OF BUSINESS. Any form of business operated out of a kiosk, truck, van, automobile, or other type of vehicle or transportable shelter and not a fixed address storefront or other permanent type of structure authorized for sales transactions.

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

SCHOOL. Any public or private elementary, vocational, or secondary school, or a public or private college or university, or a state licensed date care center.

SELF-SERVICE MERCHANDISING. Open displays of licensed products in any manner where any person has access to the licensed products without the assistance or intervention of the licensee or the licensee's employee. Assistance or intervention means the actual physical exchange of the licensed the customer and the licensee or employee.

THC. Is the acronym for tetrahydrocannabinol, the principal psychoactive constituent of cannabis.

TOBACCO STORE. A retail store utilized primarily for the sale of tobacco products and accessories and which the sale of other products is incidental.

VENDING MACHINE. Any mechanical, electric, or electronic, or other type of device that dispenses licensed products upon the insertion of money, tokens, or other form of payment directly into the machine by the person seeking to purchase the licensed product.

114.03 LICENSE.

Subd. 1. License Required. No person shall sell or offer to sell any licensed product within the City without first having obtained a license to do so from the City.

Subd. 2. Application. An application for a license to sell licensed products shall be made on a form provided by the City. The application shall contain the full name and date of birth of the applicant, the applicant's residential and business addresses and telephone numbers, the name of the business for which the license is sought, and any additional information the City deems necessary. A business applicant, at the time of application, shall furnish the City with a list of all persons that have an interest of five percent or more in the business. The list shall name all owners and show the interest held by each, either individually or beneficially for others. It is the duty of each business licensee to notify the City Clerk-Treasurer in writing of any change in ownership in the business. If the City Clerk-Treasurer determines that an application is incomplete, the City Clerk-Treasurer shall return the application to the applicant with notice of the information necessary to make the application complete. Upon receipt of a completed application, the City Clerk-Treasurer shall forward the application to the City of Roseau Chief of Police to conduct a criminal background check utilizing the Minnesota Bureau of Criminal Apprehension for said background check. Upon completion of the background check, the City Clerk-Treasurer shall forward the application to the City Council for action at its next regularly scheduled City Council meeting.

Subd. 3. Action. The City Council may either approve or deny the application for a license, or it may delay action for a reasonable period of time as necessary to complete any investigation of the application or the applicant it deems necessary. If the City Council approves the license, the City Clerk-Treasurer shall issue the license to the applicant. If the City Council denies the license, notice of the denial shall be given to the applicant along with notice of the applicant's right to appeal. Appeals of any decision must be made within thirty (30) days of the denial. If a license application is denied, the earliest an applicant may reapply is 12 months from the date the license is denied.

Subd. 4. Term. All licenses issued under this article shall expire on December 31 of each year.

Subd. 5. Revocation or Suspension.

(1) Any license issued under this chapter may be revoked or suspended as provided in this chapter.

(2) If a license is mistakenly issued or renewed to a person or a business, it shall be revoked upon the discovery that the person or business was ineligible for the license under this chapter and the City shall provide the person or business with a notice of revocation, along with information on the right to appeal.

(3) Any change in the ownership or control of a licensed business shall be deemed equivalent to a transfer of the license, and any such license shall be revoked 30 days after any such change in ownership or control unless the licensee has notified the Council of the change in ownership by submitting a new license application for the new owners, and the City Council has approved the transfer of the license by appropriate action. Any time an additional investigation is required because of a change in ownership or control of a business, the licensee 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 licensee to verify and identify the owners, and the City may examine the business records of any other licensee to the extent necessary to disclose the interest which persons other than the licensee have in the licensed business. The City Council may revoke any license issued upon its determination that a change of ownership of a licensee has resulted in the change of control of the licensed 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 City Council on notice to the licensee.

Subd. 6. Transfers. All licenses issued under this chapter shall be valid only on the premises for which the license was issued and only for the person or business to whom the license was issued. The transfer of any license to another location, business, or person is prohibited.

Subd. 7. Display. All licenses shall be posted and displayed in plain view of the general public on the licensed premises.

Subd. 8. Renewals. The renewal of a license issued under this article shall be handled in the same manner as the original application. The request for a renewal shall be made at least 30 days but no more than 60 days before the expiration of the current license.

Subd. 9. Issuance as Privilege and Not a Right. The issuance of a license issued under this article is a privilege and does not entitle the license holder to automatic renewal of the license.

114.04 FEES.

No license shall be issued under this chapter until the appropriate license fee shall be paid in full. The fee for a license under this article shall be established by the City Council and adopted in the City fee schedule and may be amended from time to time.

114.05 ELIGIBILITY AND BASIS FOR DENIAL OF LICENSE.

Subd. 1. Eligibility.

(1) *Moveable Place of Business.* No license shall be issued to a moveable place of business. Only fixed location businesses shall be eligible to be licensed under this article. Sales by licensees must be made on premises only and licensees shall be prohibited from selling any place outside of the fixed location (such as a catered event).

(2) *Proximity to Schools.* No license shall be issued for a premises within 500 feet of any school. The distance is to be measured from the closest side of the school to the closest side of the structure on the premises which the licensed product is be sold.

(3) *Delinquent Taxes and Charges.* No license shall be granted or renewed for operation on any premises on which taxes, assessments, utility charges, service charges, or other financial claims of the City are delinquent and unpaid. In the event an action has been commenced pursuant to the provisions of Minn. Stat. ch. 278, as it may be amended from time to time, questioning the amount or validity of taxes, the City Council may, on application by the licensee, waive strict

compliance with this paragraph. No waiver may be granted, however, for taxes or any portion thereof which remain unpaid for a period exceeding one year after becoming due.

Subd. 2. Grounds for Denial. Grounds for denying the issuance or renewal of a license under this chapter include, but are not limited to, the following:

- (1) The applicant is under the age of 21 years.
- (2) The applicant is prohibited by Federal, State, or other local law, ordinance, or other regulation from holding a license.
- (3) The applicant has been convicted within the past five years for any violation of a Federal, State, or local law, other ordinance, provision, or other regulation relating to the licensed products.
- (4) The applicant has had a license to sell licensed products suspended or revoked during the 12 months preceding the date of application, or the applicant has or had an interest in another premises authorized to sell licensed products, whether in the City or in another jurisdiction, that has had a license to sell licensed products suspended or revoked during the same time period, provided the applicant had an interest in the premises at the time of the revocation or suspension, or at the time of the violation that led to the revocation or suspension.
- (5) The applicant is a business that does not have an operating officer or manager who is eligible pursuant to the provisions of this chapter.
- (6) The applicant is the spouse of a person ineligible for a license pursuant to the provision of subdivision 2(2) and 2(3) of this section or who, in the judgement of the City Council, is not the real party in interest or beneficial owner of the business to be operated, under the license.
- (7) The applicant fails to provide any information required on the application or provides false or misleading information. Any false statement on an application, or any willful omission of any information called for on such application form, shall cause an automatic refusal of license, or if already issued, shall render any license issued pursuant thereto void and of no effect to protect the applicant from prosecution for violation of this chapter, or any part thereof.

114.06 PROHIBITED ACTS.

Subd. 1. In general.

- (1) No person shall sell or offer to sell any licensed product: (i) By means of any type of vending machine.
(ii) By means of self-service merchandising.
(iii) By any other means, to any other person, on in any other manner or form prohibited by state or other local law, ordinance provision, or other regulation.
(iv) That is not in the original packaging with labeling in compliance with labeling requirements of Minn. Stat. §151.72, subd. 5, as may be amended from time to time.
- (2) No person shall sell or offer for sale a product containing THC that does not meet all the requirements of Minn. Stat. §151.72, subd. 3., as may be amended from time to time.

Subd. 2. Legal Age. No person shall sell any licensed product to any person under the age of 21.

- (1) *Age Verification.* Licensees shall verify by means of government issued photographic identification that the purchaser is at least 21 years of age.

(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 licensee by the City, must be posted in a manner that is clearly visible to anyone who is or is considering making a purchase.

Subd. 3. Samples Prohibited. No person shall distribute samples of any licensed product free of charge or at a nominal cost.

Subd. 4. Use of False Identification. It shall be a violation of this chapter for any person to attempt to disguise their true age by the use of a false form of identification, whether the identification is that of another person or one on which the age of the person has been modified or tampered with to represent an age older than the actual age of person.

Subd. 5. Unlawful Purchases. It shall be unlawful for any person who is under the age of 21 years to purchase any licensed product. Persons acting under the direct supervision of the City, law enforcement, or other governmental unit and which are actively engaged in a compliance check of the licensed premises are exempted from this provision while engaged in the compliance check.

Subd. 6. Hours and Days of Sale. No sale of THC products may be made between 10:00 p.m. and 8:00 a.m Monday through Sunday.

Subd. 7. Sale to Obviously intoxicated person prohibited. THC products must not be sold to a customer who the retailer knows or reasonably should know is intoxicated.

114.07 ADDITIONAL REQUIREMENTS.

Subd. 1. Storage. All licensed products 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.

Subd. 2. Minimum Clerk Age. Individuals employed by a licensed retail establishment under this article must be at least 18 years of age to sell edible cannabinoid products.

114.08 RESPONSIBILITY.

All licensees are responsible for the actions of their employees in regard to the sale, offer to sell, and furnishing of licensed products on the licensed premises. The sale, offer to sell, or furnishing of any licensed product by an employee shall be considered an act of the licensee. Nothing in this section shall be construed as prohibiting the City from also subjecting the employee to any civil penalties that the City deems to be appropriate under this ordinance, state or federal law, or other applicable law or regulation.

114.09 COMPLIANCE CHECKS AND INSPECTIONS.

All premises licensed under this chapter shall be open to inspection by the City during regular business hours. From time to time, but at least once per year, the City or the Roseau County Sheriff's Department, or other entity authorized by the City of Roseau Chief of Police shall conduct compliance checks.

No person used in compliance checks shall attempt to use a false identification misrepresenting their age. All persons lawfully engaged in a compliance check shall answer all questions about their age asked by the licensee or their employee, and produce any identification, if any exists, for which they are asked. The City will conduct a compliance check that involves the participation of a person at least 18 years of age, but under the age of 21 to enter the licensed premises to attempt to purchase the licensed products. Persons used for the purpose of compliance checks shall be supervised by law enforcement or other designated personnel. Nothing in this chapter shall prohibit compliance checks authorized by state or federal laws for educational, research, or training purposes, or required for the enforcement of a particular State or Federal law. Additionally, from time to time, the City will conduct inspections to determine compliance with any or all other aspects of this chapter.

114.10 VIOLATIONS AND PENALTY.

Subd. 1 Criminal Penalty. A violation of this chapter shall be a misdemeanor. Nothing in this chapter prohibits the City from seeking prosecution as a misdemeanor for an alleged violation of this chapter.

Subd. 2. Administrative Penalty. If a licensee or an employee of a licensee is found to have violated this article, the licensee shall be charged an administrative penalty as follows:

- (1) *First Violation.* The City Council shall impose a civil fine of \$500.00 and suspend the license for not less than 1 day.
- (2) *Second Violation Within 36 Months.* The City Council shall impose a civil fine of \$1,000.00 and suspend the license for not less than 3 consecutive days.
- (3) *Third Violation Within 36 Months.* The City Council shall revoke the license for at least one year.

Subd. 3. Administrative Penalty Procedures. No penalty shall take effect until the licensee has received notice (served personally or by mail) of the alleged violation and of the opportunity for a hearing before the City Council, and such notice must be in writing and must provide that a right to a hearing before the City Council must be requested within 10 business days of receipt of the notice or such right shall terminate.

Subd. 4 Revocation. In addition to any other penalty imposed under this chapter, any license issued under this section may be revoked by the City Council for a violation of any provision of this chapter if the licensee has been given a reasonable notice and an opportunity to be heard.

Subd. 5. Appeal. Any appeal of the decision of the City Council to impose a civil penalty must be made within thirty (30) days of the decision of the City Council.

114.11. SEVERABILITY

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

SECTION 2. FEE SCHEDULE AMENDMENT. The fee schedule shall be amended from time to time by the Roseau City Council. Current THC License fee is \$ 2,000.00.

SECTION 3. REPEAL OF TEMPORARY EMERGENCY ORDINANCE. On the effective date of this ordinance as defined in Section 4 below, the Temporary Emergency Ordinance adopted by the Roseau City Council on August 1st, 2022 shall be repealed in its entirety.

SECTION 4. EFFECTIVE DATE. This Ordinance shall be in full force and effect from and after its passage and publications as required by law.

ADOPTED by the City Council of the City of Roseau this 27th day of July, 2023.

APPROVED:

/s/ Dan Fabian
Mayor

ATTEST:

/s/Elizabeth Carlson
City Clerk-Treasurer

**RESOLUTION NO. 42-23
OF THE CITY OF ROSEAU AUTHORIZING SUMMARY PUBLICATION OF A
ORDINANCE.**

At a special meeting of the City Council of the City of Roseau, Minnesota, held on Thursday, July 27th, 2023, at 8:00 a.m., following a public hearing a Motion was made by Councilperson Brady Johnson for passage of the following Resolution:

**THE CITY COUNCIL OF THE CITY OF ROSEAU, MINNESOTA DOES
HEREBY RESOLVE AS FOLLOWS:**

WHEREAS, On July 27th, 2023, following public hearing, the City Council of the City of Roseau adopted Ordinance Number 114 – an Ordinance Amending Title XI of the City Code by adding Chapter 114 Regulating Tetrahydrocannabinol Products, which Ordinance is effective upon publication.

WHEREAS, The City Council of the City of Roseau has determined the publication of the title and a summary is prudent due to the lengthy nature of **“ORDINANCE NUMBER 114 – AN ORDINANCE AMENDING TITLE XI OF THE CITY CODE BY ADDING CHAPTER 114 REGULATING TETRAHYDROCANNABINOL PRODUCTS**

WHEREAS, Pursuant to Minnesota Statutes 412.191, Subdivision 4 and M.S. 331A.01, Subd. 10, the Council may, by a majority vote of its members, direct that only the title of the Ordinance and a summary be published with notice that a printed copy of the Ordinance is available for inspection by any person during regular office hours at the City Offices; and

WHEREAS, Prior to the publication of the title and summary, the Council has read and approved the text of the summary and determined that it clearly informs the public of the intent and effect of the Ordinance; and

WHEREAS, The Council finds that the text of the Summary Publication of Ordinance Number 114 attached clearly informs the public of the nature and intent of the proposed Ordinance.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ROSEAU, MINNESOTA, that the Council approves by at least 4/5 vote, the Summary Publication of **ORDINANCE NUMBER 114 – AN ORDINANCE AMENDING TITLE XI OF THE CITY CODE BY ADDING CHAPTER 114 REGULATING TETRAHYDROCANNABINOL PRODUCTS**

BE IT FURTHER RESOLVED: the publication shall read as follows:

SUMMARY PUBLICATION FOR CITY OF ROSEAU – ORDINANCE NUMBER 114

AN ORDINANCE AMENDING TITLE XI OF THE CITY CODE BY ADDING CHAPTER 114 REGULATING TETRAHYDROCANNABINOL PRODUCTS

Summary: Ordinance Number 114 was introduced by the Roseau City Council on July 10, 2023, and following public hearing was adopted by the Roseau City Council on July 27, 2023

The above-referenced Ordinance amends the Roseau City Code by amending City Code Ordinance Title XI – Business Regulations by adding Chapter 114 regulating tetrahydrocannabinol products within the City. The ordinance establishes regulations for persons, businesses, and other entities engaged in the sale of any product that contains tetrahydrocannabinol and that meets the requirements to be sold for human or animal consumption under Minnesota Statutes, section 151.72 as amended (“THC Products”) in order to protect the public health, safety and welfare. The ordinance requires sellers to obtain a

license through the City and adhere to regulations designed regulations designed to prevent such products from being sold to or accessed by those under the age of 21. The ordinance provides for mandated compliance checks and escalating penalties for each violation of the ordinance by licensed or non-licensed individuals or entities. The ordinance provides for a \$2,000.00 licensing fee.

This Ordinance, once it takes effect, will repeal the Temporary Ordinance adopted by the Roseau City Council on August 1st, 2022, to temporarily regulate sales of THC Products in the City.

This summary is adopted pursuant to Minn. Stat. §412.191, Subd. 4. A printed copy of the entire Ordinance is available for inspection and copying at the Roseau City Office located at Roseau City Center, 121 Center Street East, Suite 202, Roseau, Minnesota 56751, or by standard or electronic mail.

ADOPTED by the City Council of the City of Roseau this 27th day of July 2023.

APPROVED:

/s/ Dan Fabian
Mayor

ATTEST:

/s/Elizabeth Carlson
City Clerk-Treasurer

This Motion for Resolution was seconded by Councilperson Mary Hayes, and upon a vote being taken, the following voted in favor:

WHEREAS, the Council has by at least 4/5 vote approved this summary publication on the 27th day of July, 2023.

APPROVED:

/s/ Dan Fabian
Mayor

ATTEST:

/s/Elizabeth Carlson
City Clerk-Treasurer

Financial advisor Mikaela Huot, BakerTilly provided some background on the need for the Roseau City Council to update its Business Subsidy Policy. The city's current policy is over 20 years old and is out of date. The State requires public entities to have Business Subsidy Policies for any business assistance that exceeds \$150,000. The Intercept Industries TIF is projected to

exceed that amount and therefore it was determined that the city should update and amend its existing policy to conform with current State requirements. One of the requirements in amending the Business Subsidy Policy is to hold a public hearing.

After discussion Councilmember Pat Novacek motioned to set a public hearing on the city's amended and restated Business Subsidy Policy for August 7, 2023 at 5:10 pm, the motion was seconded by Mary Hayes and approved by unanimous vote.

CDC Peterson noted that at the last meeting the City Council set a public hearing for the Ten01 TIF and tax abatement together, however, those need to be separate hearings. So it was requested that the City Council set a separate hearing for the tax abatement.

After discussion Councilmember Pat Novacek motioned, seconded by Amy Bassingthwaite to set a public hearing for a tax abatement on the Ten01 Apartment project for August 7, 2023 at 5:25 pm. The motion passed by unanimous vote.

There being no further business Councilmember Brady Johnson motioned, seconded by Councilmember Mary Hayes to adjourn the meeting. The motion passed by unanimous vote.

Mayor

ATTEST:

Community Development Coordinator

