

**THE CITY OF LEXINGTON
ANOKA COUNTY, MINNESOTA**

ORDINANCE NO. 25-03

**AN ORDINANCE TO REVISE CHAPTER 5 –
REGULATION OF ADULT USE CANNABIS BUSINESS OPERATIONS**

The City Council of the City of Lexington hereby ordains:

Section 1. **That Chapter 5 shall be amended, as follows:**

SECTION 5.500 - REGULATION OF ADULT USE CANNABIS BUSINESS OPERATIONS

Sec. 5.501. Purpose.

The purpose of this ordinance is to establish State licensing, City registration, and business operational requirements related to Adult Use Cannabis Products in the City of Lexington.

Sec. 5.502. Findings of City Council.

The City Council makes the following findings regarding the need to regulate, register, and inspect business establishments that sell certain cannabis products:

- (1) The purpose of this ordinance is to implement the provisions of Minnesota Statutes, chapter 342, which authorizes the City of Lexington to protect the public health, safety, and welfare of its residents by regulating Cannabis Retail Businesses within its legal boundaries
- (2) Due to the passage of this new law by the Minnesota Legislature, the City Council believes the following rules, regulations, and standards for registering the sale of cannabinoid products are necessary to promote and protect the public health, safety, and general welfare of the residents of Lexington.

Sec. 5.503 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 meanings in this ordinance.

Adult-Use Cannabis Product means a cannabis product that is approved for sale by the OCM or is substantially similar to a product approved by the OCM. Adult-Use Cannabis Product includes edible cannabis products but does not include Medical Cannabinoid Products or lower-potency hemp edibles.

Cannabis Retail Business means a business licensed by the OCM and registered with the City to sell Adult-use cannabis products directly to customers including Medical Cannabinoid Products. Cannabis Retail Business does not include any other cannabis State license types including those who may have a combination license, which includes a retail component.

Daycare means 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.

Medical Cannabinoid Product is as defined under Minn. Stat. 342.01 subd. 52. Medical Cannabinoid Product does not include Adult-Use Cannabis Products or hemp-derived consumer products.

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

Preliminary License Approval means an OCM pre-approval for a Cannabis Retail Business license for applicants who qualify under Minn. Stat. 342.17.

Residential Treatment Facility is as defined under Minn. Stat. 245.462 subd. 23.

Retail Registration means an approved registration issued by the City of Lexington to a state-licensed Cannabis Retail Business.

School means 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.

State License means an approved license issued by the OCM to a Cannabis Retail Business.

Sec. 5.504. Personal Adult Use of Cannabis.

Personal adult use, possession, and transportation of cannabis flower and cannabinoid products shall be allowed as authorized under M.S.A §342.09 and as regulated by City Code.

Sec. 5.505. Limit of Privately Held Cannabis Retail Businesses Licensed in the City of Lexington.

- (a) The number of licensed cannabis retailer businesses in the City that may receive a retail registration is limited to one (1) private business for every 12,500 residents.
- (b) If Anoka County has the equivalent of one (1) active Cannabis Retail Business registration for every 12,500 residents in the County, then the City shall not be required to register additional state-licensed private Cannabis Retail Businesses.

Sec 5.506. City of Lexington Operated Cannabis Retail Businesses.

The City of Lexington may operate Cannabis Retail Businesses at the discretion of the Lexington City Council. A City operated Cannabis Retail Business shall not be counted against the license limits under Section 5.505(a).

Sec. 5.507. State of Minnesota Issued Cannabis License Required.

All licensees under this Article must obtain a license from the OCM prior to selling any adult-use cannabis products and must comply with the provisions of this Article and all state and federal laws and regulations.

Sec. 5.508. City Cannabis Retail Business Registration Required.

Before making retail sales to customers or patients, a Cannabis Retail Business must register with the City and pay the City Registration fee. A violation of this Section shall subject the violator to a civil penalty, as set forth in the City's Fee Schedule, in an amount not to exceed \$2,000 for each violation.

Sec. 5.509. City Registration and Renewal Fees.

The City registration and renewal fees are established as part of the City's official Fee Schedule adopted annually and amended from time to time, are nonrefundable, and shall be charged as part of the registration process or renewal process as the case may be. A Cannabis Retail Business licensed to sell both adult-use cannabis and Medical Cannabinoid Products at the same location may only be charged a single City registration or renewal fee, as the case may be. The initial registration fee shall include the initial retail registration fee and the first annual renewal fee. Subsequent renewal fees shall be charged at the time of the second renewal and each subsequent annual renewal thereafter.

Sec 5.510. City Registration Application Submittal.

The City shall issue a retail registration to a state-licensed Cannabis Retail Business that adheres to the requirements of Minn. Stat. 342.22. and all requirements of this ordinance.

- (a) An applicant for a retail registration shall fill out an application form, as provided by the City of Lexington. The form shall include, but is not limited to:
 - (1) Full name of the property owner and applicant;
 - (2) Address, email address, and telephone number of the applicant;
 - (3) The address and parcel ID of the property for which the retail registration is sought;
 - (4) Certification that the applicant complies with the requirements of all local ordinances;
 - (5) Required Registration Fee; and
 - (6) A copy of a valid state license or written notice of OCM license preapproval.
- (b) Once an application is considered complete, the City of Lexington shall inform the applicant as such, process the registration fees, and forward the application to the City Council for approval or denial.
- (c) The registration fee shall be non-refundable once processed.
- (d) 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 5.505.

- (e) 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.

Sec. 5.511. Issuance of City Registration.

- (a) The City will issue a City Registration to a Cannabis Retail Business that:
 - (1) has a valid license issued by the OCM;
 - (2) has paid the registration fee or renewal fee pursuant to Sec. 5.509;
 - (3) is found to be in compliance with the requirements of Minnesota Statutes Chapter 342 at any preliminary compliance check that the City performs; and
 - (4) is current on all property taxes and assessments at the location where the retail establishment is located.
- (b) Before issuing a retail registration, the City may conduct a preliminary compliance check to ensure that the Cannabis Retail Business is in compliance with the applicable operation requirements and the limits on the types of Adult-use cannabis products that may be sold.
- (c) The City issued registration may not be transferred.

Sec 5.512 Location Change Within City Limits.

A state-licensed Cannabis Retail Business shall be required to submit a new application for City registration under Section 5.510 if it seeks to move to a new location still within the legal boundaries of the City of Lexington.

Sec. 5.513 Renewal of Registration.

- (a) The City registration shall be required to be renewed when a license is renewed with the OCM.
- (b) A Cannabis Retail Business shall apply to renew registration on a form established by the City.
- (c) The City may charge a renewal fee for the registration starting at the second renewal, as established in the City's Fee Schedule.
- (d) The application for renewal of a retail registration shall include, but not be limited to, Items required under Section 5.510.

Sec. 5.514. Certain Locations or Areas ineligible for City Cannabis Registration.

- (a) No registration shall be granted to:
 - (1) Any Cannabis Retail Business that is not in full compliance with this Code, the City's zoning regulations, the building code, the fire code, and all provisions of state and federal law;
 - (2) A Cannabis Retail Business seeking to operate within 500 feet of : (i) a school; (ii) a day care; (iii) a residential treatment facility; or (iv) an attraction within a municipal park that is regularly used by minors, including a playground, athletic

field, tennis/pickleball courts, ice arena, or related, as officially mapped by the City and approved by the City Council.. Distance shall be computed by direct measurement in a straight line from the nearest legal parcel line of the land used for one of the above described uses to the nearest external portion of the building in which the Cannabis Retail Business is proposed to be located.

- (b) Nothing in this Section shall prohibit an active Cannabis Retail Business seeking registration from continuing operation at the same site if a school, daycare, residential treatment facility, or an attraction within a municipal park that is regularly used by minors moves within the minimum buffer zone.

Sec. 5.515. Cannabis Retail Business Hours of Operation.

Cannabis Retail Businesses are limited to the retail sale of Adult-Use Cannabis Products between the hours of 10:00 A.M. to 10:00 P.M. Monday through Saturday, and 10:00 A.M. to 6:00 P.M. Sunday.

Sec. 5.516. Cannabis Retail Business Building Conditions.

A licensed and registered Cannabis Retail Business shall maintain compliance with state and local building, fire, property maintenance, nuisance, and zoning requirements and/or regulations.

Sec. 5.517. Compliance Checks and Inspections.

- (a) The City, its police department, or its designee, shall conduct compliance checks of every Cannabis Retail Business with a retail registration issued by the City at least once each calendar year. The checks shall assess compliance with age verification requirements, the applicable operation requirements, and the applicable limits on the types of Adult-Use Cannabis Products being sold. Said compliance checks may be performed by a law enforcement officer or a City employee.
- (b) The City must conduct unannounced age verification compliance checks at least once each calendar year. Age verification compliance checks must 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 Products under the direct supervision of a law enforcement officer or a City employee.

Sec. 5.518 Registration Suspension and Cancellation; Notice to Office; Penalties.

- (a) If the City determines that a Cannabis Retail Business is not operating in compliance with the requirements of this Article or M.S.A. Chapter 342, or that the operation of the business poses an immediate threat to the health or safety of the public, the City may suspend the retail registration of the Cannabis Retail Business. The City shall immediately notify the OCM of the suspension in writing and shall include a description of the grounds for the suspension.
- (b) The OCM shall review the retail registration suspension and may order reinstatement of the retail registration or take any action described in M.S.A. §§ 342.19 or 342.21.

- (c) The retail registration suspension may be for up to 30 days unless the OCM suspends the license and operating privilege of the Cannabis Retail Business for a longer period or revokes the license. The business may not make sales to customers if their registration is suspended or revoked.
- (d) The City may reinstate the retail registration if the City determines that the violations have been resolved. The City must reinstate the retail registration if the OCM orders reinstatement.
- (e) No Cannabis Retail Business may make any sale to a customer or patient without a valid retail registration. The City may impose a civil penalty of up to \$2,000 for each violation of this paragraph.
- (f) Cannabis Retail Businesses are prohibited from allowing onsite consumption or onsite use of Adult-Use Cannabis Products by customers.
- (g) Cannabis Retail Businesses are required to prevent the visibility of Adult-Use Cannabis Products and devices used for smoking/using cannabis to individuals outside of the Cannabis Retail Business retail location.

Sec. 5.519 Civil Penalties. Subject to Minn. Stat. 342.22, subd. 5(e) the City may impose a civil penalty, as specified in the City's Master Fee Schedule, for registration violations, not to exceed \$2,000.

Section 2. **That the Schedule of Uses shall be amended, as follows:**

LAND USE DISTRICT INTENT	USES PERMITTED PRINCIPAL	ACCESSORY	CONDITIONAL
B-4	As permitted in B-1 except Day Care Facility		Minor Auto Repair
	Convenience Food Stores		Automotive Sales Lot
	Farmers Market		Gasoline Pumps
	Restaurants Fast Food & Family		Veterinary Clinic
	Restaurant. Establishments holding a liquor license pursuant to Section 5.212, except licenses pursuant to 5.212, subd. 4A.		
	Cannabis Retail Business		

Section 3. **That the contents of this ordinance shall be published in a summary fashion:**

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lexington, due to the lengthy nature of this Ordinance, directs that this title and summary be prepared for publication pursuant to Minn. Stat. 412.191, Subd. 4

The Council finds that the following text clearly informs the public of the intent and effect of this Ordinance, and hereby approves the following summary text for publication:

“SUMMARY PUBLICATION OF ORDINANCE 25-03.

AN ORDINANCE REVISING CHAPTER 5 REGULATION OF ADULT USE CANNABIS BUSINESS OPERATIONS, was approved by the Lexington City Council on August 7, 2025. This Ordinance governing the standards for conduction business operations related to cannabis.

NOTICE: the full text of this Ordinance and its attachments are available for public inspection at Lexington City Hall located at 9180 Lexington Avenue, Lexington, MN 55014, during regular office hours.”

WHEREAS, the Council has by at least 4/5 vote approved this public notice on the 18th day of June 2025.



Michael Murphy, Mayor

Attest:



Bill Petracek, City Administrator