

Cannabis and Hemp Business Regulations Ordinance

Ordinance No. 04-2025

CITY OF AFTON, WASHINGTON COUNTY, MINNESOTA

AN AMENDMENT TO THE ORDINANCE ESTABLISHING REGULATIONS REGARDING BUSINESSES INVOLVING CANNABIS AND HEMP PRODUCTS TO CLARIFY THAT ANY DIRECT-TO-CONSUMER SALES BY A CANNABIS MICROBUSINESS OR A CANNABIS MEZZOBUSINESS IS ALLOWED ONLY IN THE VILLAGE HISTORIC SITE – COMMERCIAL (VHS-C) ZONING DISTRICT.

THE CITY COUNCIL OF THE CITY OF AFTON, WASHINGTON COUNTY, MINNESOTA, ORDAINS THE FOLLOWING:

Chapter 153 of the City Code shall be amended by deleting the ~~strike-out~~ language and adding the **bold and underlined** language below.

(A). SCOPE

This ordinance applies to cannabis and hemp businesses in the city.

(B). PURPOSE

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

(C). DEFINITIONS

For purposes of this Ordinance, the following terms listed in alphabetical order shall have the following meanings:

Cannabis Business. A business licensed by the Office of Cannabis Management (OCM) as defined by Minnesota Statute 342.01 Subd. 14.

Cannabis Cultivator. A cannabis business that grows cannabis plants from seed or immature plant to mature plant, harvests the cannabis flower from a mature plant, and packages and labels immature cannabis plants and seedlings and cannabis flower for sale to pursuant to Minnesota Statute Section 342.30.

Cannabis Event. A temporary cannabis event lasting no more than four days operating pursuant to Minnesota Statute 342.39.

Cannabis Manufacturer. A cannabis business that makes cannabis and/or hemp concentrate, manufactures artificially derived cannabinoids, adult-use cannabis products, lower-potency hemp edibles, and/or hemp-derived consumer products, and sells cannabis concentrate, hemp concentrate, artificially derived cannabinoids, cannabis products, lower-potency hemp edibles, hemp-derived consumer products to other cannabis businesses pursuant to Minnesota Statute Section 342.31.

Cannabis Mezzobusiness. A cannabis business that grows cannabis plants from seed or immature plant to mature plant, harvests the cannabis flower from a mature plant, makes cannabis and/or hemp concentrate, manufactures artificially derived cannabinoids, adult-use cannabis products, lower-potency hemp edibles, and/or hemp-derived consumer products, and sells immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to other cannabis businesses and to consumers pursuant to Minnesota Statute Section 342.29.

Cannabis Microbusiness. A cannabis business that grows cannabis plants from seed or immature plant to mature plant, harvests the cannabis flower from a mature plant, makes cannabis and/or hemp concentrate, manufactures artificially derived cannabinoids, adult-use cannabis products, lower-potency hemp edibles, and/or hemp-derived consumer products, and sells immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to other cannabis businesses and to consumers, including on-site consumption, pursuant to Minnesota Statute Section 342.28.

Cannabis Retailer. A cannabis business that sells immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to customers pursuant to Minnesota Statute Section 342.32. **This definition includes any direct-to-consumer sales by a Cannabis Microbusiness or a Cannabis Mezzobusiness.**

Cannabis Testing Facility. A cannabis business that obtains and tests 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, and industrial hemp growers pursuant to Minnesota Statute Section 342.37.

Cannabis Wholesaler. A cannabis business licensed or endorsed for wholesale that sells immature cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to cannabis microbusinesses, cannabis mezzobusinesses, cannabis manufacturers, and cannabis retailers pursuant to Minnesota Statute Section 342.33.

Hemp Business. A business licensed by the Office of Cannabis Management (OCM) as defined by Minnesota Statute 342.01 Subd. 14 as defined by Minnesota Statute 342.01 Subd. 34.

Lower-Potency Hemp Edible Manufacturer. A hemp business that makes hemp concentrate, manufactures artificially derived cannabinoids lower-potency hemp edibles, and/or hemp-derived consumer products, and sells hemp concentrate, artificially derived cannabinoids, lower-potency hemp edibles, hemp-derived consumer products to other cannabis businesses and hemp businesses pursuant to Minnesota Statute Section 342.45.

Lower-Potency Hemp Edible Retailer. A hemp business that sells lower-potency hemp edibles to customers for off-site consumption, pursuant to Minnesota Statute Section 342.46.

Low-Potency Hemp Beverages or Hemp derived THC beverages. Beverages that meet the statutory requirements for low-potency hemp beverages or hemp-derived THC beverages.

(D). LIMITING REGISTRATIONS.

- (1) A jurisdiction may choose to set a limit on the number of retail registrations within its boundaries. The jurisdiction may not, however, limit the number of registrations to fewer than one per 12,500 residents. The City of Afton shall allow only one registration for a cannabis retail business.
- (2) Selection Process. If multiple applications for a state-licensed cannabis retail business are received within a 30-day period, the City Council may create a policy regarding the selection process.

(E). DELEGATION OF REGISTRATION TO WASHINGTON COUNTY

The City of Afton has provided its consent for Washington County to register cannabis microbusinesses with a retail operations endorsement, cannabis mezzobusinesses with a retail operations endorsement, cannabis retailers, medical cannabis retailers, medical cannabis combination businesses, and lower-potency hemp edible

retailers, and to perform compliance checks of every such business or retailer with a registration issued by Washington County, in the City of Afton, in accordance with Minnesota Statutes section 342.22.

(F). CANNABIS AND HEMP BUSINESS STANDARDS.

(1) *Location Criteria.*

a. No Cannabis Business shall be permitted at the following locations:

1. Within 1,000 feet of a School;
 2. Within 500 feet of a day care facility;
 3. Within 500 feet of a residential treatment facility;
 4. Within 500 feet of an attraction within a public park that is regularly or intended to be used by minors, including all playgrounds and/or sports courts and/or athletic fields;
- and

b. No Hemp Business shall be permitted at the following locations:

1. Within 1,000 feet of a School;
2. Within 500 feet of a day care;
3. Within 500 feet of a residential treatment facility;
4. Within 500 feet of an attraction within a public park that is regularly or intended to be used by minors, including all playgrounds and/or sports courts and/or athletic fields;

C. Location buffers shall be measured from the edge of the real property on which the land use listed above is located to the nearest portion of the building in which the cannabis/hemp business is located.

(2) *Parking.* Parking requirements shall be approved by the City prior to issuance of a permit or license with ratios in accordance with like uses, as determined by the Zoning Administrator.

(3) *Odor.* Cannabis Businesses and Hemp Businesses shall install and maintain enhanced ventilation systems designed to prevent detection of cannabis or hemp odor and shall be ventilated from any adjoining use, parcel, public or private street and/or right-of-way, park or building unit, as approved by the City. All ventilation systems shall be operated to ensure all odors cannot be detected by a person with a normal sense of smell.

(4) *Signage.* Exterior wall, window and monument signage shall not depict a cannabis flower, cannabis product, hemp edibles, or a hemp derived edible consumer product. Additionally, a business logo containing the above depictions shall not be displayed as part of any exterior signage. No products, interior signage, advertisements, or like attention-getting items shall be placed or displayed that may be visible from the exterior of the Cannabis Business.

(5) *Lighting.* All lighting shall be shielded and angled in such a way as to prevent light from spilling outside of the boundaries of the parcel(s) or premises or directly focusing on any surrounding uses.

(6) *Noise.* There shall be no noise carrying beyond the lot upon which a business is located, except for normal car and pedestrian activity; with the exception of retail establishments, which must meet the local noise ordinance.

(7) *Outdoor Use.* All uses and activity shall be conducted indoors, with no storage or outdoor activity allowed.

(8) *Water conservation measures.* Cannabis Businesses that grow or manufacture cannabis or hemp shall include adequate measures, as approved by the City, that minimize the use of water at the site. Water conservation measures, water capture systems, grey water systems, or other equally effective water conservation measures shall be incorporated into the operations to significantly minimize the use of water.

- (9) *Security.* Cannabis Businesses shall implement and maintain sufficient security measures to both deter and prevent unauthorized entrance into areas containing cannabis or cannabis products. Security measures shall include, but are not limited to, the following:
- a. Prevent individuals from loitering on the premises if they are not engaging in activity expressly related to the operations;
 - b. Establish limited access areas accessible only to authorized dispensary personnel;
 - c. Store all cannabis and cannabis products in a secured and locked safe room, safe, or vault, and in a manner as to prevent diversion, theft, and loss, except for limited amounts of cannabis and cannabis products used for display purposes, samples or immediate sale;
 - d. Twenty-four-hour security surveillance cameras shall be installed and maintained to monitor all entrances and exits to a Cannabis Business, all interior spaces that are open and accessible to the public, and all interior spaces where cannabis, cash or currency is being stored for any period of time on a regular basis. Video recordings shall be maintained for a minimum of ninety (90) days and shall be made available to the City upon request; and
 - e. Further security requirements above and beyond the minimum-security requirements imposed by State regulations based on the unique circumstances associated with a particular cannabis business, as imposed by the City Council.

(10) *Hours of Operation.*

- a. Cannabis Businesses are limited to retail sale of cannabis, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products between the hours of 10 a.m. and 9 p.m., seven days a week.
- b. *Lower-Potency Hemp Edible Retailers* are limited to retail sale of lower-potency hemp edibles, or hemp-derived consumer products for off-site consumption between the hours of 10 a.m. and 9 p.m., seven days a week. No retail sale of lower-potency hemp edibles or hemp-derived consumer products for on-site consumption is permitted. The sale of Lower-Potency Hemp Edibles is prohibited in any liquor establishment.

(11) *Low-Potency Hemp Beverages or Hemp derived THC beverages*

- a. *Beverages.* No person shall sell or offer to sell Low Potency Hemp Beverages or Hemp derived THC beverage products without an on-sale liquor license issued by the City of Afton. The City shall establish a fee for a Low Potency Hemp Beverages or Hemp derived THC beverage license. An establishment must meet the zoning requirements of an on-sale liquor establishment in order to receive a Low Potency Hemp Beverages or Hemp derived THC beverage license.
- b. *Sale and Consumption of Product.* Onsite consumption of Low-Potency Hemp Beverages or Hemp derived THC beverages is only allowed at licensed on-sale liquor establishments. The onsite sale and consumption of Low-Potency Hemp Beverages or Hemp derived THC beverages must be done in compliance with all laws of the state.
- c. *Hours of sale* shall be the same as the allowed hours of operation for an on-sale liquor establishment.

- (12) All retail sales of Lower-Potency Hemp Edibles are restricted to the VHS-C zone, ~~with the exception of retail sales accessory to a cannabis mezzobusiness or a cannabis microbusiness, which are allowed in the industrial zones.~~

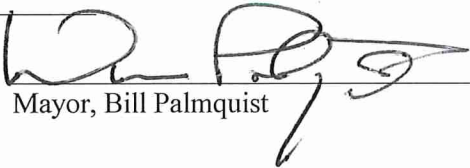
Lower-potency hemp edible retailers may be permitted in the VHS-C zone only as an accessory use to a cannabis retailer.

(13) *Temporary Cannabis Event.*

The City may approve an application for a temporary cannabis event permit if all of the following are met:

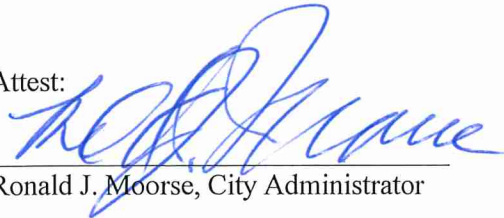
- a. The temporary Cannabis event is being held by a non-profit or charitable organization.
- b. The temporary cannabis event is not located:
- c. Within 1,000 feet of a School;
- d. Within 500 feet of a day care facility;
- e. Within 500 feet of a residential treatment facility;
- f. Within 500 feet of an attraction within a public park that is regularly or intended to be used by minor, including all playground and/or athletic fields.
- g. The temporary cannabis event may occur during the hours of 10:00 a.m. to 9:00 p.m.
- h. The temporary cannabis event is setback a minimum of one hundred (100) feet from any lot lines.
- i. On-site consumption is not permitted.
- j. Security shall be present at the temporary cannabis event.
- k. Application. No less than thirty (30) days from the event's first day, an event organizer shall apply for and obtain a temporary cannabis event permit from the City.
- l. All ordinances, policies and permit requirements established by the City, the Fire Department and the Police Department shall be adhered to.
- m. No off-site signage shall be permitted.
- n. The temporary cannabis event is scheduled for a maximum of two days.

Adopted on August 19, 2025.



Mayor, Bill Palmquist

Attest:



Ronald J. Moore, City Administrator

Date Published: August 24, 2025

EXHIBIT A

§ 153.053 USES.

Uses in the various districts shall be as follows:

	<i>Agricultural (Ag)</i>	<i>Rural Residential (R)</i>	<i>VHS- Residential (VHS-R)</i>	<i>VHS- Commercial (VHS-C)</i>	<i>Light Industrial (I-1A)</i>	<i>Light Industrial (I-1B)</i>	<i>Light Industrial (I-1C)</i>	<i>Marine Service (MS)</i>
Agricultural, rural	P	P	N	N	P	P	P	N
Agricultural, suburban	P	P	N	N	P	P	P	N
Airports, airstrips, heliports	N	N	N	N	N	N	N	N
Animal impounding facility	N	N	N	N	P	P	N	N
Animals, commercial training	C	N	N	N	C	C	C	N
Antennas or towers over 35 feet in height	C	C	N	N	C	C	N	N
Archery range, commercial	N	N	N	N	N	N	N	N
Armories, convention halls and similar uses	N	N	N	N	N	N	N	N
Auto/car wash	N	N	N	N	N	N	N	N
Auto reduction yard, junkyard	N	N	N	N	N	N	N	N
Auto repair	N	N	N	N	N	N	N	N
Automobile service station	N	N	N	N	N	N	N	N
Barbershop, beauty shops	N	N	N	C	N	N	N	N
Bed and breakfast (see § 153.108 of this code)	C	C	C	C	N	N	N	N
Blacktop or crushing equipment for highway construction (temporary use only)	C	N	N	N	C	C	I	N
Boat dock (non- commercial)	A	A	A	N	N	N	N	N
Boat, boat trailer, marine sales	N	N	N	C	N	N	N	A
Boat, boat trailer and marine storage and repair, enclosed or screened	N	N	N	N	N	N	N	C
Broadcasting studio	N	N	N	C	N	N	C	N
Business service	N	N	N	P	P	P	P	N
Cafés and restaurants	N	N	N	C	N	N	N	N
Campgrounds	N	N	N	N	N	N	N	N
Cannabis indoor cultivation	N	N	N	N	C	C	C	N
Cannabis event	N	N	N	C	N	N	N	N
Cannabis manufacturer	N	N	N	N	C	C	C	N
Cannabis mezzobusiness <u>Excluding retail sales</u>	N	N	N	N	C	C	C	N
Cannabis microbusiness <u>Excluding retail sales</u>	N	N	N	N	C	C	C	N

Cannabis retailer	N	N	N	C	N	N	N	N
Cannabis testing facility	N	N	N	N	C	C	C	N
Cannabis wholesale business	N	N	N	N	C	C	C	N
Cemeteries	C	N	N	N	N	N	N	N
Churches	C	C	C	C	N	N	N	N
Clear cutting	See § 153.104 of this code							
*Clubs or lodges	N	N	N	N	N	N	N	N
*Commercial recreation	N	N	N	N	N	N	N	N
Commercial schools	N	N	N	C	N	N	N	N
Data center	N	N	N	N	C	C	C	N
Disposal, solid and liquid waste	N	N	N	C	N	N	N	N
Distribution center	N	N	N	N	C	C	C	N
Domestic pets	A	A	A	A	N	N	A/C	N
Drive-in business	N	N	N	N	N	N	N	N
Duplex	N	C	N	N	N	N	N	N
Essential services, government uses	N	C	C	C	C	C	C	N
Essential services, public utility	C	C	C	C	C	C	C	N
Explosives, manufacture, storage or use	N	N	N	N	N	N	N	N
Exterior sales and storage	N	N	N	N	N	N	N	N
Exterior sales and storage (wholesale only)	N	N	N	N	N	N	N	N
Farm, see agriculture								
Farm equipment sales	N	N	N	N	N	N	N	N
Farmers market	N	N	N	N	N	N	N	N
Farm kitchen, accessory	A	A	N	N	N	N	N	N
Farm kitchen, A/C	A/C	A/C	N	N	N	N	N	N
Farm winery	C	N	N	N	N	N	N	N
Feedlots, commercial (see § 153.078 of this code)	C	N	N	N	N	N	N	N
Fences	See § 153.080 of this code							
Flammable gases and liquids, business distribution	N	N	N	N	N	N	N	N
Flex office	N	N	N	N	C	C	C	N
Forests	P	P	P	P	P	P	C	N
Fuel sales (wholesale and storage)	N	N	N	N	N	N	N	N
Fulfillment Center: e-commerce	N	N	N	N	C	C	C	N
Funeral homes	N	N	N	N	N	N	N	N
Garage, private	A	A	A	A	A	A	A/C	N
Garage, repair (commercial)	N	N	N	N	N	N	N	N

Garage, storage (commercial)	N	N	N	N	N	N	N	N
Golf courses	C	N	N	N	N	N	N	N
Grading	See §§ 153.101 and 153.102 of this code							
Greenhouses (commercial production only)	C	N	N	N	N	N	N	N
Gun clubs	N	N	N	N	N	N	N	N
Gun ranges	N	N	N	N	N	N	N	N
Hemp outdoor cultivation	C	N	N	N	N	N	N	N
Home occupation	P	P	P	P	N	N	N	N
Hotel (see § 153.109 of this code)	N	N	N	C	N	N	N	N
Institutional housing	N	C	N	N	N	N	N	N
Junkyard	N	N	N	N	N	N	N	N
Kennels, private (see § 153.005 of this code)	C	C	N	N	N	N	N	N
Kennels, commercial (see § 153.005 of this code)	N	N	N	N	N	N	N	N
Land reclamation	See § 153.101 of this code							
Laboratory: Medical, dental	N	N	N	N	C	C	C	N
Laboratory: research and development	N	N	N	N	C	C	C	N
Lodging room (not more than two)	A	C	C	N	N	N	N	N
Lower-potency hemp edible manufacturer	N	N	N	N	C	C	C	N
Lower-potency hemp edible retailer	N	N	N	A/C	N	N	N	N
Lower potency hemp beverage or hemp-derived THC beverage retailer	N	N	N	C	N	N	N	N
Manufacturing, heavy	N	N	N	N	N	N	N	N
Manufacturing, light industrial (maximum height of 25 feet in I-1C)	N	N	N	N	C	C	C	N
Marina (including boat rental)	N	N	N	C	N	N	N	N
Medical uses	N	N	N	C	N	N	N	N
Mining, sand and gravel	N	N	N	N	N	N	N	N
Mobile home court/park	N	N	N	N	N	N	N	N
Motel	N	N	N	N	N	N	N	N
Multiple family dwellings (three or more units)	N	N	N	N	N	N	N	N
Nature center (public and private)	C	C	N	N	N	N	N	N
Nursery, retail sale of plants	S	N	N	N	N	N	N	N
Nursery, wholesale growing of plants	P	C	N	N	N	N	N	N
Nursery and garden supplies (exterior or enclosed sales)	P	C	N	N	N	N	N	N

Offices (maximum height of 35 feet in I-1C)	N	N	C	C	C	C	C	N
Offices, accessory	N	N	N	C	C	C	C	A
Office/warehouse	N	N	N	N	C	C	C	N
Off-street loading	N	N	N	A	A	A	A/C	A
Off-street parking	A	A	A	A	A	A	A/C	A
Park	P	P	P	P	P	P	P	N
Park, private	C	C	C	C	C	C	C	N
Photo/art studio	N	N	N	C	N	N	N	N
Race tracks	N	N	N	N	N	N	N	N
*Recreation areas (commercial)	N	N	N	N	N	N	N	N
Recreation equipment storage (private)	A	A	A	A	N	N	N	N
Reduction or processing of refuse, trash and garbage	N	N	N	N	N	N	N	N
Rental of cars, trailers, campers, trucks and similar equipment	N	N	N	N	N	N	N	N
Repair garage (commercial)	N	N	N	N	N	N	N	N
Repair shop (small appliances)	N	N	N	C	N	N	N	N
Research (see § 153.005 of this code)	C	C	N	N	C	C	C	N
Research, agricultural	C	C	N	N	C	C	C	N
No CUP for homes								
Residential, multiple-family	N	N	N	N	N	N	N	N
Residential, single-family detached	P	P	P	P	N	N	N	C
Residential waterfront uses	A	A	A	A	N	N	N	N
Resorts	N	N	N	N	N	N	N	N
Rest or nursing home	N	N	N	N	N	N	N	N
Retail business	N	N	N	C	N	N	N	N
Retail business, accessory to office	N	N	N	C	C	C	C	N
Retail sales of agricultural supplies	C	N	N	N	N	N	N	N
Riding stable, commercial (minimum of 20 acres)	C	N	N	N	N	N	N	N
Riding stable, private (minimum of 20 acres)	C	C	N	N	N	N	N	N
Riding stable, private, with equine-assisted therapy (minimum of 20 acres)	C	C	N	N	N	N	N	N
Sales, open lot and outdoor	N	N	N	N	N	N	N	N
Sales, seasonal agricultural	N	N	N	C	N	N	N	N
Schools, private	N	N	N	N	N	N	N	N
Schools, public	N	C	N	N	N	N	N	N
Self storage, multi-story	N	N	N	N	C	C	C	N
Service station	N	N	N	N	N	N	N	N

Signs	See § 153.130 of this code							
Solar, accessory to principal use	A	A	A	A	A	A	A	A
Solar, community solar energy system								
Ground- mounted					CUP	CUP	CUP	
Rooftop					P	P	P	
Solar farm					CUP	CUP	CUP	
Stand, private roadside (notify neighbor for CUP)	ADMIN	C	N	C	N	N	C	N
Storage, highway during construction	ADMIN	ADMIN	ADMIN	ADMIN	ADMIN	ADMIN	I	N
Storage, enclosed or screened principal use	N	N	N	N	C	C	N	A
Storage, open principal use	N	N	N	N	N	N	N	N
Storage, enclosed, accessory to a principal use	A	A	A	A	A	A	C	N
Storage, not accessory to permitted principal use	N	N	N	N	N	N	N	N
Storage, underground, flammable materials accessory to agricultural or residential use	C	C	C	C	N	N	N	N
Studio, arts or crafts	C	C	C	C	N	N	N	N
Supper club	N	N	N	C	N	N	N	N
Swimming pool (commercial)	N	N	N	N	N	N	N	N
Swimming pool (private)	ADMIN	ADMIN	ADMIN	ADMIN	N	N	N	N
Taverns and bars	N	N	N	C	N	N	N	N
Tennis courts (private)	ADMIN	ADMIN	ADMIN	ADMIN	N	N	N	N
Training facility	N	N	N	N	C	C	C	N
Terminal, transportation /motor freight	N	N	N	N	N	N	N	N
Theater	N	N	N	C	N	N	N	N
Theater, drive-in	N	N	N	N	N	N	N	N
Townhouses	N	N	N	N	N	N	N	N
Trailer parks	N	N	N	N	N	N	N	N
Truck and auto service station	N	N	N	N	N	N	N	N
Temporary farm dwelling (mobile home)	ADMIN	ADMIN	N	N	N	N	N	N
Transportation school	N	N	N	N	N	N	N	N
Used auto parts	N	N	N	N	N	N	N	N
Utility substation	C	C	C	C	C	C	C	C
Vegetative cutting	See § 153.104 of this code							
Vehicle sales	N	N	N	N	N	N	N	N
Veterinary clinic	C	N	N	N	N	N	N	N
Warehousing	N	N	N	N	C	C	C	N
Waterfront uses (commercial)	N	N	N	C	N	N	N	N
Waterfront uses	A	A	A	A	N	N	N	N

(residential)								
Wholesale business	N	N	N	N	C	C	C	