

Ordinance No. 6553

AN ORDINANCE AMENDING THE CODE TO PROHIBIT ALCOHOL SALES IN MEDICAL CANNABIS ESTABLISHMENTS AND TO ALLOW ADDITIONAL FLEXIBILITY ON THE COMMENCEMENT OF OPERATIONS FOR MEDICAL CANNABIS ESTABLISHMENTS

WHEREAS, in November 2020, South Dakota voters passed Initiated Measure 26 *An initiated measure on legalizing marijuana for medical use*, now codified at South Dakota Codified Laws Chapter 34-20G; and

WHEREAS, SDCL Chapter 34-20G gives cities the authority to regulate and control the time, place, and manner of medical cannabis establishments; and

WHEREAS, on October 2, 2021, the City of Rapid City adopted Sections 5.74.110 and 5.74.120 to set operational requirements for medical cannabis establishments; and

WHEREAS, the City of Rapid City believes it to be in the best interests of its citizens and the public's health, safety, and welfare to amend Section 5.74.110 relating to the commencement of operations of medical cannabis establishments; and

WHEREAS, the City of Rapid City believes it to be in the best interests of its citizens and the public's health, safety, and welfare to amend Section 5.74.120 relating to alcohol sales within medical cannabis establishments; and

WHEREAS, the City finds that the following ordinance is necessary to protect and preserve the public health, safety, welfare, peace and support of the municipal government and citizens of the City of Rapid City.

NOW THEREFORE, BE IT ORDAINED by the City of Rapid City that Sections 5.74.110 and 5.74.120 of the Rapid City Municipal Code be and are hereby amended to read in their entirety as follows:

5.74.110 Active use of dispensary license.

A. *Commencement of operations.* A medical cannabis dispensary shall begin operation of the licensed establishment for the purposes provided in this Chapter no later than one year after the City's issuance of the annual license. However, for licenses issued in 2021 or 2022, the Finance Director may extend a licensee's timeline to commence operations for an additional ~~180 days~~ one year upon good cause shown by the licensee. In the event that a medical cannabis dispensary does not timely commence operations pursuant to this Section, the license shall be deemed forfeited and the business shall not operate.

B. *Continuous operation.* A medical cannabis dispensary shall continuously and actively conduct business licensed under this Chapter. Any medical cannabis dispensary license not actively used for a period of more than 60 cumulative days per calendar year may be deemed

inactive by the City; days where the license is suspended by the City shall not be used for purposes of calculating inactivity. The Finance Director may request, and the licensee shall provide, sufficient proof of the licensee's continuous operation. If the licensee has not actively used the license, the City may revoke the license or may deny a renewal application on the basis of nonuse.

5.74.120 Operational requirements.

A. Each medical cannabis establishment shall, at all times, comply with all laws, regulations, and other rules prescribed by the State of South Dakota and the City for such establishments, including all applicable provisions in Title 17 of this Code.

B. A medical cannabis dispensary licensee shall display its license at all times in a conspicuous place during business hours.

C. Medical cannabis dispensaries may be open to the public between the hours of 8:00 a.m. and 10:00 p.m.

D. Any licensee under this Chapter shall be the owner or actual lessee of the premises where the business is conducted and the sole owner of the business operated under the license.

E. No cultivation facility or cannabis product manufacturing facility shall permit any run-off or drainage into the stormwater system from the commercial operation that is not in compliance with all city, state, and federal laws and regulations.

F. No cannabis establishment shall allow the emission of any odors that are noticeable at or beyond the property line of the establishment.

G. No cannabis establishment shall allow the sales or service of any alcoholic beverage (as defined in SDCL 35-1-1) at the establishment for consumption either off the premises or upon the premises of the establishment.

~~G~~H. Each establishment may only be accessed by authorized agents of the medical cannabis establishment, emergency and public safety personnel, and authorized visitors who comply with the requirements set forth by state law and the Department. With the exception of cardholders and caregivers (as defined in SDCL 34-20G-1) legally accessing dispensaries, the establishment shall document all visitor names, times of visit, and purpose of visit in a visitor log. The visitor log shall be maintained for at least two (2) years by the establishment and must be made available upon request to state or local regulatory authorities or law enforcement as part of any official audit, inspection, or investigation.

BE IT FURTHER ORDAINED, that, pursuant to SDCL 9-19-13, this ordinance is necessary for the immediate preservation of the public peace, health, safety, and welfare of the City and shall become effective immediately upon passage.

CITY OF RAPID CITY

Mayor

ATTEST:

Interim Finance Director

(seal)

First Reading:
Second Reading:
Published:
Effective: