



MEDICAL CANNABIS DISPENSARY LICENSE SUBMITTAL REQUIREMENTS AND PROCESSING INFORMATION

- Step 1: Research & Retrieve Application Packet.** This includes City Ordinance No. 1052 and South Dakota State Law regulating a medical cannabis dispensary business. An application packet is available online <https://www.cityofyankton.org/departments-services/finance-office/licensing> or for pick up at City Hall, Finance Office, 416 Walnut St., Yankton, SD 57078.
Step 2: Applicant submits a complete application, including all required documents on the *Application Checklist* and application fee to the Finance Office.
- Step 3: Background Check.** All owners and existing/proposed employees of the applicant's proposed dispensary business are required to undergo a comprehensive background check.
- Step 4: Preliminary Plan Review.** To ensure all business plan, site plan & security measures comply with the ordinance.
- Step 5: Application Packet Meeting.** By appointment only, applicant may review application and documents with staff from Finance, Community Development, and Police departments to confirm whether the application is complete. If all requirements are met, the fully complete application packet will be consigned to the City Manager for final review.
- Step 6: City Manager Review.** Within 30 days after submission of a fully complete application, the City Manager or City manager's designee shall issue a written decision approving or denying the application for licensure. This decision will be sent via first class mail and via certified mail to the applicant. Upon approval, application information will be sent to the South Dakota Department of Health along with a copy of the City-issued provisional license and the City's certification.
- Step 8: Complete required State forms.** Visit <https://medcannabis.sd.gov/> for more information.
- Step 9: State Review.** Per SDCL 34-20G-55, no later than ninety days after receiving an application for a medical cannabis establishment, the department shall register the prospective medical cannabis establishment and issue a registration certificate and a random ten-digit alphanumeric identification number if all listed conditions are satisfied and the State awards the applicant one of the two Medical Cannabis Dispensary registrations available for the City of Yankton.
- Step 10: Certificate of Occupancy.** Upon successful issuance of State registration, the licensee shall not begin operation or open its doors to the public until it receives a Certificate of Occupancy from the City.
 - **Building Permits.** Building or construction-related permits may be required based on Yankton Code of Municipal Ordinances or South Dakota law. Permit fees are not included in the application or annual fee.
 - **Building Inspection.** All build-out must be inspected by City staff for compliance with the applicable building permit, all representations made within the approved license application and supporting submissions, and applicable building codes.
 - **Pay annual fee.** The City shall not issue a Certificate of Occupancy until the licensee has paid the Annual License Fee under Ordinance Sec. 13-143, and all registration application fees due to the State in connection with the South Dakota Department of Health's review of the application.



NEW APPLICATION

City of Yankton Finance Office
416 Walnut St
Yankton, SD 57078
605-668-5243

**MEDICAL CANNABIS DISPENSARY LICENSE
APPLICATION CHECKLIST**

Medical cannabis business licensing requires both City and State approval, which is initiated at the local level by first obtaining a provisional Medical Cannabis Dispensary License certificate from the City of Yankton.

*Provide all documents in the same order shown on the checklist – single sided – no staples please
All documents & copies need to be legible and either typed or printed in black ink on 8½” x 11” size paper*

Note: *Documentation requirements may change as the State of South Dakota adopts its rules and regulations governing Medical Cannabis Dispensaries.*

BUSINESS NAME:
APPLICANT:
STREET ADDRESS OF CANNABIS BUSINESS:

Please complete & submit the following documents:

- Complete Medical Cannabis Dispensary License Application form
- Paid license application fee (non-refundable)
- Copy of the deed or lease for proposed business location
- A “to scale” sketch of the floor plan
- A “to scale” site plan reflecting all structure and lot boundaries
- An elevation drawing or rendering of the exterior
- Business plan including intended hours and rules of operation and a complete description of safety and security measures
- Police Background Check Authorization form for each owner, shareholder, LLC member and manager, principal officer, board member, and anticipated employee (page 3 of license application)
- Copy of Driver’s License from each owner, shareholder, LLC member and manager, principal officer, board member, and anticipated employee
- Optional: any other documents to support this application

APPLICATION FOR LICENSE
CITY OF YANKTON, COUNTY OF YANKTON,
STATE OF SOUTH DAKOTA

Application for license to engage in the business of **Medical Cannabis Dispensary** located at Yankton, South Dakota, for the calendar year of _____.

NEW APPLICATION: **Non-Refundable Fee: \$1,500.00**

(**Note:** First Annual Fee of \$3,000.00 is Also Due Upon State Registration – No Partial Year Pro-ration)

RENEWAL: **Annual Fee: \$3,000.00**

Part I: APPLICANT/LICENSEE INFORMATION

Name of Applicant/Licensee: _____

Individual Corporation Partnership Limited Liability Company (LLC) Other _____

If Corporation, please submit copy of Articles of Incorporation, By-Laws, and Certificate of Good Standing.
If LLC, please submit copy of Articles of Organization, Operating Agreement, and Certificate of Good Standing.
If Partnership, please submit copy of written Partnership Agreement.

Trade Name (or DBA) of Business: _____

Please submit proof of fictitious business name (DBA) registration with South Dakota Secretary of State.

Address of Dispensary Business: _____
Street City State Zip Code

Part II: PREMISES INFORMATION

Business Phone: _____ **Is the premises owned or rented?** _____

*** If rented, applicant must attach "Authorization to use Property for a Cannabis Business" page 5.*

If this is a renewal application and all premises information remains the same as the original initial application, check here **If checked, skip questions below to Part III*

Attach a copy of the deed or lease along with a "to scale" sketch of the floor plan, a "to scale" site plan reflecting all construction and lot boundaries, and an elevation drawing or rendering of the exterior.

Zoning: The proposed business is located within (check one):

B-2 Highway Business District B-3 Central Business District Industrial District

Is this business located within any building containing a dwelling unit, a pediatrician's office, hotel, motel, boarding house, or lodging facility? Yes No

Is this business located within 500 feet from the nearest property line of any school, church, licensed childcare facility, correctional facility, mental health facility, or substance abuse facility? Yes No

Is this business located within 400 feet from the nearest property line of another dispensary?
 Yes No Unknown

Will the applicant business need any anticipated building or construction-related permits upon approval of this license? (Contact Yankton's Community Development Office if Unknown) Yes No

If yes, please explain: _____

Note: issuance of a medical cannabis dispensary license does not eliminate the need for any other applicable license (i.e. building permits, etc.).

Part III: OPERATIONS INFORMATION

Attach a business plan to include your intended hours and rules of operation demonstrating compliance with City of Yankton Ordinance Secs. 13-140 and 13-151

Attach a complete description of security and safety measures demonstrating compliance with City of Yankton Ordinance Secs. 13-145

If this is a renewal application and all operations information remains the same as the original initial application, check here (If checked, no new business plan or safety/security measures is needed)

*Attach a sales tax clearance letter from the State of South Dakota Department of Revenue
(Required Annually)*

Sales Tax ID# _____

Attach a list of products and suppliers (To Be Supplemented Annually)

Part IV: PERSONNEL INFORMATION

Business Primary Contact Name: _____ Title: _____

Mailing address: _____
Street City State Zip Code

Phone: _____ E-mail: _____

List of Owners: (Attach separate page for more)

Name: _____ State of residency: _____ % owned: _____

Name: _____ State of residency: _____ % owned: _____

Name: _____ State of residency: _____ % owned: _____

Name: _____ State of residency: _____ % owned: _____

List of Employees: (Attach separate page for more)

Name: _____ DOB: _____ Address: _____

Name: _____ DOB: _____ Address: _____

Name: _____ DOB: _____ Address: _____

Every owner, LLC member or manager, shareholder, principal officer, board member, and employee must complete a Background Investigation form found on page 4 and submit a photocopy of his or her driver's license or government ID. (This must be supplemented each time an additional employee is hired.)

Part V: AFFIRMATION AND CONSENT

Licensee or Business Name: _____

I, _____ (printed name), as the applicant or as an authorized agent, officer, owner, or manager for the applicant, declare under the penalty of perjury and under penalty for offering a false instrument for recording that this entire application, statements, and attachments are true, correct, and complete to the best of my knowledge. I further declare & consent that:

1. This statement is executed with the knowledge that misrepresentation or failure to reveal information requested may be deemed sufficient cause for the denial of this license application by the City of Yankton (initial here) _____;
2. I consent to any background investigation necessary to determine my present and continuing suitability and that consent continues as long as I hold a Medical Cannabis Dispensary License (initial here) _____;
3. I understand and acknowledge that the City Finance's Office and the State of South Dakota may request other information from me in connection with this application. Failure to provide the requested information may result in denial of this application (initial here) _____;
4. I understand this license shall not be transferable to any other person, business entity, or location and is not a property right (initial here) _____;
5. I understand that the licensed Medical Cannabis Dispensary business must maintain legal possession of the licensed premises at all times (initial here) _____;
6. I understand that the entire location premises shall be subject to inspections by relevant authorities at all operational hours and other times of apparent activity (initial here) _____;
7. I hereby state that I have read SDCL Chap. 34-20G, all applicable State rules and regulations, and City of Yankton Code of Ordinances Chapter 13 regarding Medical Cannabis Dispensary business licensing rules and regulations, and I understand the contents thereof and agree to be bound by them in all respects, expressly including the waiver of liability, release of claims, and indemnification of the City of Yankton and others contained in Ordinance Sec. 13-153 (initial here) _____;
8. I understand that any Medical Cannabis business license issued by the City of Yankton is provisional, conditional, and must be annually renewed by application submitted no less than forty-five (45) days prior to the expiration date, unless earlier revoked or surrendered (initial here) _____;

I have completed all the above information and understand my responsibilities as a Medical Cannabis applicant, licensee owner, or manager. I further understand that failure to comply with any law, regulations, or provisions of this affirmation may be grounds for disciplinary action, including, but not limited to, the suspension or revocation of the license.

Applicant Signature	Title	Date
---------------------	-------	------

Instructions: File this application form along with the required attachments and application license fee to the City Finance Officer, PO Box 176, Yankton, SD 57078. Call 668-5243 for questions.

Application Fees: The applicable fee (Initial Application Fee of \$1,500 or Annual Fee of \$3,000) is due at the time of submitting this application. The first Annual fee of \$3,000 is due upon receipt of Certification of Occupancy. The Annual Fee is not pro-rated.

For Finance Office Use Only:

Date application received: _____ Fee Paid \$ _____ Receipt No. _____

BACKGROUND INVESTIGATION

TO BE COMPLETED BY EACH OWNER, SHAREHOLDER, LLC MEMBER AND MANAGER, PRINCIPAL OFFICER, BOARD MEMBER, AND EMPLOYEE (Supplemental Form Required For Each New Employee)

Name of Individual (please print):	
Trade Name of Establishment:	
Address of Proposed Establishment	

Notice: The Marijuana Background Application Form is an official document. If you provide false information on your Medical Cannabis Dispensary License Application and/or do not disclose all information the application asks, your license is subject to denial or revocation. The City of Yankton Police Department will conduct a complete background investigation and will check all sources of information.

1. Have you ever been convicted of a felony in any State?	<input type="checkbox"/> YES <input type="checkbox"/> NO
2. Have you, or any business in which you have had ownership, had a marijuana license suspended or revoked by any State agency or a local jurisdiction?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3. Are you under the age of twenty-one?	<input type="checkbox"/> YES <input type="checkbox"/> NO
STOP! If YES to any of 1 thru 3, you are prohibited from being an owner or employee of a cannabis establishment in Yankton.	
4. Have you been convicted of a violent, weapon-related, or drug-related misdemeanor at any time?	<input type="checkbox"/> YES <input type="checkbox"/> NO
5. Have you been convicted of any form of theft or crime of dishonesty at any time?	<input type="checkbox"/> YES <input type="checkbox"/> NO
6. Do you have any pending criminal charges other than traffic/moving violations?	<input type="checkbox"/> YES <input type="checkbox"/> NO

If YES to any of 4 thru 6, please attach a separate sheet describing in detail the facts and circumstances of each charge/conviction.

Personal Information: Unless otherwise provided by law, the personal information required is solely for identification purposes and will be treated as confidential.

Your Full Legal Name (last, first, middle)	Primary Phone Number	Alternate Phone Number
List any other names you have used		
Current residence address		Mailing address (if different)
Email address		
Do you have a current Dirver's License? Attach copy. <input type="checkbox"/> No <input type="checkbox"/> Yes # _____ State _____	Date of Birth	Social Security Number

I hereby authorize a comprehensive background check and release the City of Yankton, its employees, contractors, volunteers, and elected officials from any liability or damage, which may result from furnishing the information requested.

Signature: _____ Title: _____ Date: _____

AUTHORIZATION TO USE PROPERTY FOR A CANNABIS BUSINESS

BUSINESS NAME:

APPLICANT:

STREET ADDRESS OF CANNABIS BUSINESS:

As owner of the real property listed above, I hereby authorize the submission of this application for my property to be used as a **Medical Cannabis Retail Facility**.

I understand that the lessee must operate the business on the property described above under provisions of City of Yankton's Municipal Code of Ordinances Chapter 13: Licenses and Business Regulations, Article III, Division 7. Medical Cannabis Dispensaries, Sections 13-132 through 13-153. I further understand that my property must meet certain zoning requirements and comply with applicable federal, state, and local laws and building codes.

In exchange for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, I hereby release the city, its officers, elected officials, employees, attorneys and agents from all liability for any and all claims and demands, or causes of action of any kind whatsoever, present or future, in any way relating to or arising from the lessee/licensee's business operation upon said property.

Property Owner Signature

Date

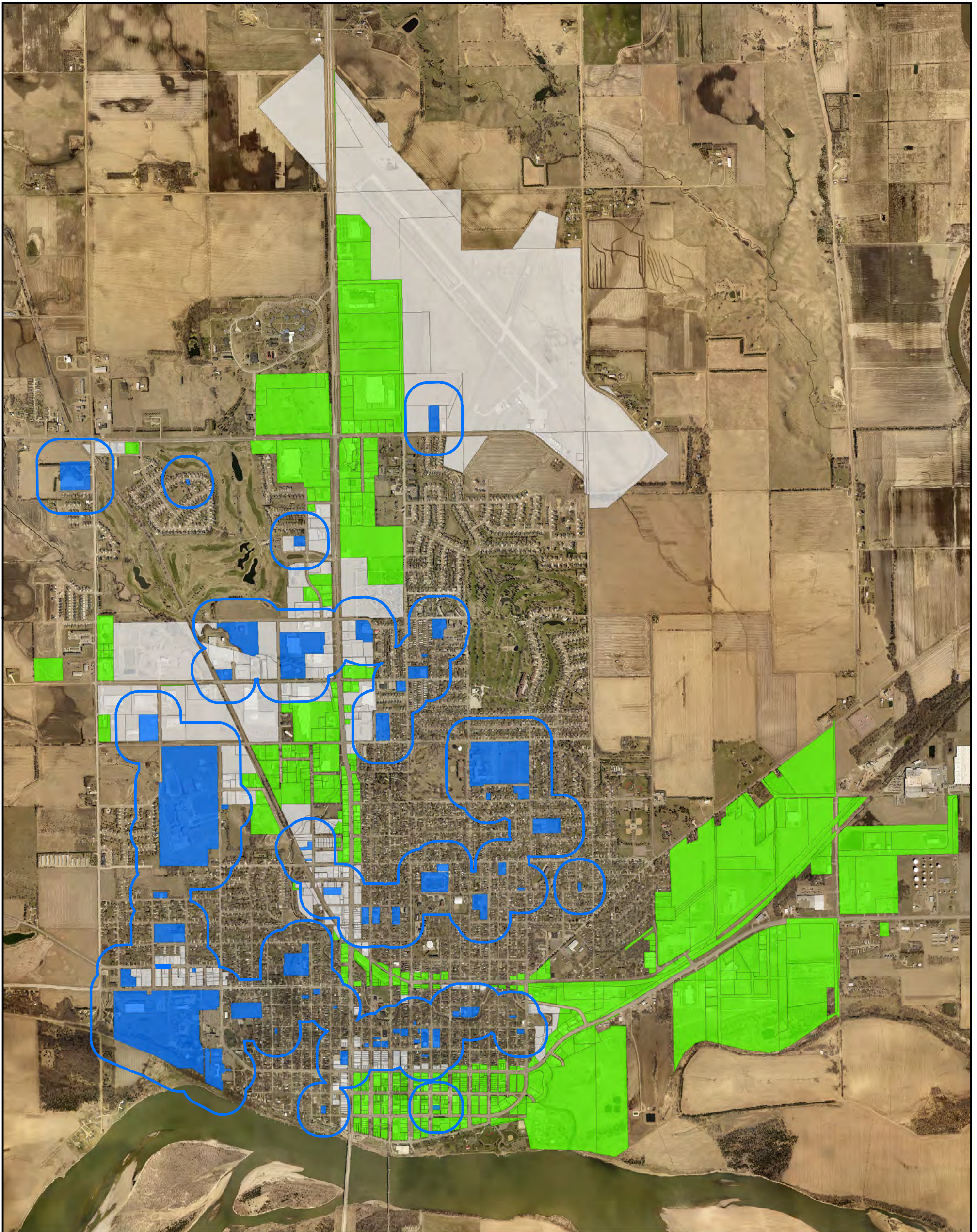
Printed Name of Property Owner/Agent

Phone Number

Property Owner's Address

Lease Expiration Date

❖ **ATTACH PHOTOCOPY OF WRITTEN LEASE AGREEMENT**



City of Yankton

Medical Cannabis Dispensary Location Map

Criteria Parcels

Schools, Churches, Childcare
 Facilities, Mental Health Facilities,
 Substance Abuse Facilities

B2, B3, & I Zoning Parcels

Not Valid
 Valid

Ordinance No. 1052

An Ordinance establishing licensing regulations for Medical Cannabis Dispensary businesses. Be it ordained that:

A new Division numbered Division 7 of Chapter 13, Article III, of the City of Yankton Code of Ordinances shall be titled as follows:

Division 7. Medical Cannabis Dispensaries

The following Sections of Division 7 of Chapter 13, Article III shall be enacted to read as follows:

Sec. 13-132. *Definitions*

The following words and phrases, when used in this section, shall have the meanings ascribed to them. In addition to the definitions contained in this section, other terms used in this section shall have the meaning ascribed to them in South Dakota Codified Law Article 34, Chapter 20G, Section 1, and SDCL § 22-42-1, and such definitions are hereby incorporated into this section by this reference.

Applicant shall mean any person or entity who has submitted an application for a license or renewal of a license issued pursuant to this Division. If the applicant is an entity and not a natural person, applicant shall include all persons who are the members, managers, officers, directors and shareholders of such entity.

Cannabis products shall mean any concentrated cannabis, cannabis extracts, and products that are infused with cannabis or an extract thereof, and are intended for use or consumption by humans. The term includes edible cannabis products, beverages, topical products, ointments, oils, and tinctures.

Cardholder shall mean any person who has been issued and possesses a valid registry identification card pursuant SDCL Chapter 34-20G.

Disqualifying felony offense shall mean a crime that was classified as a felony in the jurisdiction where the person was convicted.

Initial application shall mean the first application filed for a dispensary.

Licensed premises shall mean the building within which the dispensary operates.

Licensee shall mean any person or business entity that has been issued and holds a valid, current license pursuant to this Division. If the licensee is an entity and not a natural person, licensee shall include all persons who are the members, managers, officers, directors and shareholders of such entity.

Medical cannabis or *cannabis* shall mean marijuana as defined in SDCL § 22-42-1.

Medical cannabis dispensary or *dispensary* shall mean the entity registered with the South Dakota Department of Health pursuant to SDCL Chapter 34-20G and licensed by the City pursuant to this Ordinance that acquires, possesses, stores, delivers, transfers, transports, sells, supplies, or dispenses cannabis, cannabis products, paraphernalia, or related supplies and educational materials to cardholders. *Medical cannabis dispensary* does not include a cultivation facility, a cannabis testing facility, a cannabis product manufacturing facility, or a recreational cannabis dispensary.

Medical cannabis establishment shall mean a cannabis cultivation facility, a cannabis testing facility, a cannabis product manufacturing facility, or a cannabis dispensary as those terms are defined in SDCL § 34-20G-1.

Registry identification card shall mean a document issued by South Dakota Department of Health that identifies a person as a registered qualifying patient or registered designated caregiver, or documentation that is deemed a registry identification card pursuant to §§ 34-20G-29 to 34-20G-42, inclusive.

Sec. 13-133. *Purpose and Intent*

The purpose of this section is to provide for licensing of medical cannabis dispensaries within the jurisdictional limits of the City of Yankton in the interest of public health, safety, and general welfare. Nothing in this section is intended to promote or condone the sale, distribution, possession, or use of marijuana in violation of any applicable law.

Sec. 13-134. *Other Laws*

If the state adopts any stricter regulation governing a medical cannabis dispensary than that set forth in this Division, the stricter regulation shall control the establishment or operation of any medical cannabis dispensary in the City. A licensee shall be required to demonstrate, upon demand by the City, or by law enforcement officers, that the source and quantity of any cannabis found upon the licensed premises are in full compliance with applicable state regulation. If the state prohibits the sale or other distribution of medical cannabis, any license issued under this Section shall be deemed immediately revoked by operation of law, with no ground for appeal or other redress by the licensee.

Sec. 13-135. *Authority*

The City Manager or the City Manager's designee shall have authority pursuant to the SDCL Chapter 34-20G and this Division to grant or deny licenses and to inspect the premises and business of a dispensary to confirm compliance with all licensure requirements.

Sec. 13-136. *Medical Cannabis Dispensary License Required*

No person or business entity shall operate a medical cannabis dispensary within the jurisdictional limits of the City unless that person or business entity has first obtained a medical cannabis dispensary license from the City. Such license shall be kept current at all times, and the failure to maintain a current license shall constitute a violation of this Section.

Sec. 13-137. *Limitation on the Number of Medical Cannabis Establishments*

Under the authority granted by SDCL 34-20G-56, there shall be no more than two (2) active medical cannabis dispensaries that may be registered by the State of South Dakota to operate within the jurisdictional limits of the City of Yankton at any given time. The City of Yankton hereby directs the State to give registration preference only to those applicants that have received a medical cannabis dispensary license certificate issued by the City of Yankton pursuant to this Division. No other medical cannabis establishment shall be permitted to operate within the jurisdictional limits of the City of Yankton.

Sec. 13-138. *Term of License*

Each license issued under this Division shall be effective upon issuance and shall terminate on the last day of December of the year issued.

Sec. 13-139. *License Not Transferrable*

Licenses issued under this division shall not be transferable to any other person, business entity, or location and shall lapse automatically upon a change of ownership or location. A license issued under this Division is not a property right.

Sec. 13-140. *Dispensary Requirements*

A medical cannabis dispensary licensee is subject to the following requirements:

- (a) No owner, LLC member or manager, shareholder, principal officer, or board member of a licensee may have served as an owner, LLC member or manager, shareholder, principal officer, or board member for a medical cannabis dispensary that has had its state registration certificate or any local, municipal, or county license revoked;

- (b) No owner, LLC member or manager, shareholder, principal officer, or board member may be under twenty-one years of age;
- (c) A licensee shall be prohibited from employing any employee convicted of a disqualifying felony offense;
- (d) A licensee shall be prohibited from employing any employee under twenty-one (21) years of age;
- (e) A medical cannabis dispensary shall not share office space with or refer a patient to a practitioner. *See* SDCL § 34-20G-67.
- (f) A medical cannabis dispensary shall not permit any person to consume cannabis upon the property of the licensed premises. *See* SDCL § 34-20G-68.
- (g) At least one of the owners, LLC members, or shareholders shall be a resident of this state;
- (h) The licensed premises shall be located only within a B-2 Highway Business District, B-3 Central Business District, or Industrial District;
- (i) The licensed premises shall be located no less than five hundred (500) feet from the nearest property line of any school, church, licensed childcare facility, correctional facility, mental health facility, or substance abuse facility, unless the dispensary is located in a B-3 Central Business District or the area east of Broadway Avenue and south of 4th Street. No separation is required for a dispensary located in a B-3 Central Business District or the area east of Broadway Avenue and south of 4th Street;
- (j) The licensed premises shall not be located within any building containing a dwelling unit, a pediatrician's office, hotel, motel, boarding house, or lodging facility except that a dispensary that is located in a B-3 Central Business District may be located in a building containing a dwelling unit or dwelling units;
- (k) The licensed premises shall be located no less than four hundred (400) feet from the nearest property line of another dispensary;
- (l) The licensed premises shall not be located within a single development project that contains another marijuana establishment of any kind. With regard to this subsection and to subsection (k) above, in the event that applications for licensure of more than one medical cannabis dispensary or other marijuana business are pending at the same time and one proposed location is within 400 feet of another proposed location, the City Manager or his or her designee shall consider and act first upon the application determined by the City Manager or his or her designee to have first been a complete application without regard to the proposed location that is set forth in any application determined to have been complete later in time;
- (m) The licensed premises shall not be located within the City's Extraterritorial Zoning Jurisdiction; and
- (n) The licensed premises shall remain in compliance with applicable federal, state, and local laws and building codes (including, but not limited to, the prevailing building, plumbing, electrical, mechanical, fuel gas and fire codes adopted by the City of Yankton at the time of licensure).

For purposes of this section, a “*single development project*” shall mean and include any area in which the property proposed for use as a medical cannabis dispensary shares a common interest in common property, such as parking areas or sidewalk areas, or is a member of a property owners’ association with another marijuana business. The distances set forth in this section shall be computed by direct measurement in a straight line from the nearest property line of the land used for the purposes stated above, respectively, to the nearest portion of the building in which the medical cannabis dispensary is located. The locational criteria contained in this section shall apply to all proposed changes in the location of an existing license.

Sec. 13-141. *Application for Medical Cannabis Dispensary License*

To obtain a medical cannabis dispensary license, or to renew a license previously issued under this Division, the applicant shall file in the office of the finance officer an application on a form furnished by the finance officer or the finance officer’s designee, which shall comply with Yankton Ordinance Sec. 13-17 and provide the following additional information:

- (a) The name, address, and date of birth of each owner, shareholder, LLC member and manager, principal officer, and board member of the proposed medical cannabis dispensary, as well as the name address and date of birth of any current employees at the time such application is filed;
- (b) A copy of the deed reflecting the applicant’s ownership of, or a lease reflecting the right of the applicant to possess, the proposed licensed premises for the proposed use;
- (c) A “to scale” sketch of the floor plan of the proposed licensed premises reflecting compliance with the City’s cannabis dispensary design requirements;
- (d) A “to scale” site plan reflecting all structures and boundaries of the proposed licensed premises reflecting compliance with the City’s cannabis dispensary design requirements;
- (e) An elevation drawing or rendering of the exterior of the proposed licensed premises;
- (f) A description of safety and security measures reflecting compliance with the City’s dispensary design and operational requirements; and
- (g) Any other additional information as the City Manager or his or her designee may deem necessary for an investigator to evaluate the character and business responsibility of the applicant.

Sec. 13-142. *Application Fee*

At the time an applicant files an application according to Sec. 13-141, applicant shall pay a non-refundable fee to the City in an amount established by resolution of the Board of City Commissioners to defray the costs incurred by the City for background investigations, review of the application, inspection of the proposed premises, and any other costs and labor associated with processing the application.

Sec. 13-143. *Annual License Fee*

Within thirty (30) days of receiving a cannabis dispensary registration from the State of South Dakota pursuant to SDCL Chap. 34-20G, and at the time an applicant files a renewal application, the licensee shall tender to the City an annual license fee in an amount established by resolution of the Board of City Commissioners. The annual license fee is in addition to the initial application fee required pursuant to Sec. 13-142. The annual license fee shall be paid on the basis of a full calendar year regardless of the date of issuance, and no proration or discount shall be given.

Sec. 13-144. *Additional permits and licenses*

A license issued pursuant to this Ordinance is in addition to and does not eliminate the need for the licensee to obtain other required permits or licenses related to the operation of the medical cannabis dispensary including, without limitation, the registration issued by the State of South Dakota pursuant to SDCL Chap. 34-20G, and any zoning related permits, plat approvals, or building or construction-related permits required by the Yankton Code of Municipal Ordinances or South Dakota law.

Sec. 13-145. *Background Checks, Inspections and Facility Standards*

During review of the application and at all reasonable times after a license is issued, the City Manager or the City Manager's designee may make any reasonable inquiry into the criminal history of any owner, shareholder, LLC member and manager, principal officer, board member, and employee. It shall be a violation of this Chapter and grounds for revocation of any license issued hereunder for a licensee to allow any new principal officer, board member, or employee to begin work before supplementing the information required under section Sec. 13-141(a) for each prospective new principal officer, board member, or employee. In addition, the City Manager or his or her designee, during review of the application and at all reasonable times after a license is issued, may enter and inspect the premises designated in the application or license to determine if the premises meets or continues to meet the requirements of all city ordinances and state statutes, and is being maintained in accordance with the following facility standards:

- (a) The facility shall have an entry-only breezeway area securely locked and partitioned from the dispensary sales floor wherein each customer must remain until the customer's identity, legal age, and registry identification card can be verified before each customer is admitted entry into the dispensary sales area. The facility must utilize a separate one-directional exit for customers, which exit does not permit entry from the outside without a key.
- (b) The facility shall have locked display cases only accessible to staff during business hours. The facility shall have a locked vault or Drug Enforcement Agency storage

cage in which all cannabis, cannabis products, and undeposited funds shall be stored outside business hours.

- (c) The facility shall conform to the prevailing building, plumbing, electrical, mechanical, fuel gas and fire codes adopted by the City of Yankton at the time of licensure. This includes, but is not limited to, codes regarding accessibility, egress and life safety.
- (d) All exterior entrances and exits, all parking areas, and all sidewalks adjacent to the dispensary facility shall be lighted at all times after dark.
- (e) High-definition cameras of sufficient quantity and quality shall be mounted in a manner to fully capture the facial features of all people entering the facility at each point of entry or exit, and to capture the facial features and actions of all people in all locations inside the facility, excepting only the restrooms. The camera system shall securely store high-definition camera footage for no less than thirty (30) days.
- (f) The facility shall have a functional commercial alarm system triggered by the press of a button, by the breaking of glass, and by forcing open a locked door.

Sec. 13-146. *Approval Process*

- (a) Upon receipt of a complete application, the City Manager or the City Manager's designee shall circulate the application to all affected service areas and departments of the City to determine whether the application is in full compliance with all applicable laws, rules, and regulations. No license shall be approved until after the City Manager or the City Manager's designee has caused the proposed premises to be inspected to determine compliance of the premises with all applicable requirements of this Division and the Code of Municipal Ordinances, and with the plans and descriptions submitted as part of the application. The City Manager or the City Manager's designee shall deny any application that does not meet the requirements or limitations of this Ordinance. The City Manager or the City Manager's designee shall deny any application that contains any false, misleading, or incomplete information.
- (b) If the City Manager or the City Manager's designee has determined that all requirements for a dispensary license are met and upon payment of the application fee in advance by the applicant, the City Manager or City Manager's designee may, in his or her discretion, approve the issuance of a license if the City Manager or City Manager's designee believes the issuance to be in the public's best interest. When the City Manager or the City Manager's designee considers a dispensary application, he or she may consider all contents and proposals within the application, the observations and results of any inspection undertaken pursuant to section 13-145, the impact to the public that may result, whether the proposed dispensary is located in a zone that permits its operation, the manner in which the applicant previously operated a dispensary or other business licensed by the City of Yankton, history of compliance with city ordinances and state law.

- (c) Within thirty (30) days after the completion of the investigation of the application, the City Manager or City Manager's designee shall issue a written decision approving or denying the application for licensure, which decision shall state the reason(s) for the decision and be sent via first class mail and via certified mail to the applicant at the address shown in the application.
- (d) If approved, the City Manager or City Manager's designee shall issue to the applicant a cannabis license certificate specifying the date of issuance, the period of licensure, the name of the licensee, the physical address of the licensed premises, and a sworn statement certifying that the licensed establishment as proposed does not violate the City's enacted zoning restrictions as required under SDCL 34-20G-55(1)(d). The City Manager or City Manager's designee shall also promptly transmit a copy of the license certificate to the South Dakota Department of Health to satisfy SDCL 34-20G-55(1)(e).

Sec. 13-147. *Issuance or Denial of Application*

If a license is denied by the City Manager or his or her designee, an applicant shall have thirty (30) days to request in writing that the denied application be submitted to the Board of City Commissioners for reconsideration at a regularly scheduled meeting using the same criteria governing the issuance of a license by the City Manager. The Board of City Commissioners shall consider the application on its merits and take action on the appeal at properly noticed public meeting no later than sixty (60) days following the City's receipt of a timely written request for appeal. Notwithstanding anything to the contrary no medical cannabis dispensary license shall be issued until the applicant has demonstrated compliance with this Ordinance and the City zoning ordinance.

Sec. 13-148. *Preliminary Approval and Issuance of License*

If approved, the City's issuance of a license following an initial application shall be provisional and subject to automatic termination if:

- (a) The licensee does not receive or fails to qualify for the state registration certificate required under SDCL Chapter 34-20G within 120 days of issuance of the license; or
- (b) At least two (2) other holders of an active and unrevoked medical cannabis license have previously received a state registration certificate required under SDCL Chapter 34-20G; or
- (c) The licensee fails to pay the annual license fee to the City within thirty (30) days of the issuance of the state registration certificate in accordance with Sec. 13-143; or

- (d) The licensee fails to obtain a certificate of occupancy from the City of Yankton in accordance with Sec. 13-149 within one hundred eighty (180) days of issuance of the state registration certificate issued under SDCL Chapter 34-20G.

No licensee may engage in the sale of cannabis products under a provisional license.

Sec. 13-149. *Certificate of Occupancy*

Licensee shall not begin operation or open its doors to the public until it receives from the City a certificate of occupancy. The City shall not issue a certificate of occupancy until the City Manager or the City Manager's designee has fully inspected the licensed premises and determined that the establishment satisfies all requirements of licensure as set forth in this ordinance, all applicable zoning requirements, and all other applicable federal, state, and local laws and building codes, and that the licensed establishment is ready for occupancy with such equipment and security measures in place as may be necessary to comply with the applicable provisions of this Ordinance and state law. The City shall not issue a certificate of occupancy until the licensee provides written evidence that the licensee has paid the Annual License Fee under Sec. 13-143, and all registration application fees due to the state in connection with the South Dakota Department of Health's review of the application.

Sec. 13-150. *Annual license fee refundable*

If a provisional license is automatically terminated by operation of Sec. 13-148, the annual license fee paid pursuant to Sec. 13-143 shall be refunded to applicant. The initial application fee paid pursuant Sec. 13-142 shall not be refunded. If a license is revoked pursuant to Sec. 13-152 and/or Sec. 13-24, the annual license fee shall not be refunded.

Sec. 13-151. *Medical Cannabis Dispensary License Rules of Operation*

Each dispensary shall be operated only in accordance with the following rules:

- (a) Each licensee shall display the license issued by the City in a prominent location within the licensed premises;
- (b) The hours of operation of each dispensary shall be confined between the hours of 9:00 am to 9:00 pm Monday through Sunday.
- (c) Each dispensary shall be owned, operated, kept, and maintained in accordance with the dispensary requirements set forth in Sec. 13-140 and facility standards set forth in Sec. 13-145; and

- (d) Each dispensary shall operate in accordance with all applicable local and state laws concerning medical cannabis.

Sec. 13-152. *License Revocation and Penalties*

- (a) Any medical cannabis dispensary license may be cancelled or suspended in accordance with section 13-24.
- (b) Any person operating a dispensary without a license is subject to a civil fine of up to two hundred dollars (\$200.00). Each day a dispensary is operated without a license shall be a separate offence.
- (c) Operating a dispensary without a license shall be deemed a public nuisance and subject to the provisions of Chapter 15 of the Yankton Code of Municipal Ordinances. Such nuisance may be abated in any manner permitted by Ordinance or other applicable law, including, but not limited to, an action for injunctive relief.
- (d) Automatic suspension if a licensee or any of its employees or agents has been convicted of selling a cannabis product to any person under the age of twenty-one (21). In order to reinstate a license to active status, the applicant must tender a reinstatement fee of ten thousand dollars (\$10,000.00) for the first suspension under this Section, or fifteen thousand dollars (\$15,000.00) for the second offense. Upon conviction for the third such offense, the license shall automatically terminate and may not be reinstated or renewed.

Sec. 13-153. *No City Liability; Indemnification; No Defense*

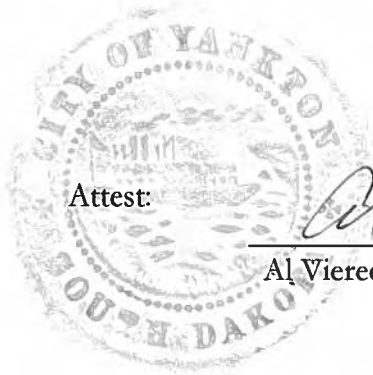
- (a) By accepting a license issued pursuant to this Division, the licensee waives any claim concerning, and releases the City, its officers, elected officials, employees, attorneys and agents from, any liability for injuries or damages of any kind that result from any arrest or prosecution of business owners, operators, employees, clients or customers of the licensee for a violation of state or federal laws, rules or regulations.
- (b) By accepting a license issued pursuant to this Division, all licensees, jointly and severally if more than one, agree to indemnify, defend and hold harmless the City, its officers, elected officials, employees, attorneys, agents, insurers and self-insurance pool against all liability, claims and demands on account of any injury, loss or damage, including without limitation claims arising from bodily injury, personal injury,

sickness, disease, death, property loss or damage, or any other loss of any kind whatsoever arising out of or in any manner connected with the operation of the medical cannabis dispensary that is the subject of the license.

- (c) The issuance of a license pursuant to this section shall not be deemed to create an exception, defense or immunity for any person in regard to any potential criminal liability the person may have under state or federal law for the cultivation, possession, sale, distribution, or use of marijuana.

Secs. 13-154 thru 13-200. - Reserved.

Adopted: 6-14-2021
1st Reading: 5-24-2021
2nd Reading: 6-14-2021
Publication Date: 6-19-2021
Effective Date: 7-9-2021



Attest:

A handwritten signature in black ink, appearing to read "Al Viereck", is written over a horizontal line.

Al Viereck, Finance Officer

A handwritten signature in black ink, appearing to read "Stephanie Moser", is written above a horizontal line.

Stephanie Moser, Mayor

RESOLUTION #21-58

**A RESOLUTION TO SET FEES FOR
MEDICAL MARIJUANA DISPENSARY LICENSES**

WHEREAS with respect to the initial application process for licensure of a medical cannabis dispensary, Ordinance Sec. 13-142 allows the City Commission to establish by resolution a non-refundable fee to defray the costs incurred by the City for background investigations, review of the application, inspection of the proposed premises, and any other costs and labor associated with processing the application; and

WHEREAS Ordinance Sec. 13-143 allows the City Commission to establish by resolution an annual fee for licensure of a medical cannabis dispensary; and

WHEREAS the City Commission has not yet established the fees applicable to Ordinance Sections 13-142 and 13-143 and has determined that such fees must be set.

NOW, THEREFORE, BE IT RESOLVED by the Yankton Board of City Commissioners that the non refundable application fee for licensure of a medical cannabis dispensary pursuant to Ordinance Sec. 13-142 shall be \$1,500.00; and

IT IS ALSO HEREBY FURTHER RESOLVED by the Yankton Board of City Commissioners that the annual fee for licensure of a medical cannabis dispensary pursuant to Ordinance Sec. 13-143 shall be \$3,000.00.

Dated this 28th day of June, 2021.

CITY OF YANKTON

BY: *Stephanie Moser*
Stephanie Moser, Mayor

ATTEST:


[Signature]
FINANCE OFFICER