

EXHIBIT A

**AGREEMENT BETWEEN THE
COUNTY OF STEARNS AND AVON TOWNSHIP
FOR THE REGISTRATION, COMPLIANCE, AND ENFORCEMENT OF CANNIBIS RETAIL BUSINESSES**

This agreement is made between the County of Stearns and the Township of Avon for local administration and regulation of cannabis pursuant to Minnesota Statutes Chapter 342 and the rules and regulations promulgated thereunder.

WHEREAS, Pursuant to Minn. Stat. §342.13(h), “a local government unit that issues a cannabis retailer registration under section 342.22 may, by ordinance, limit the number of licensed cannabis retailers, cannabis mezzobusinesses with retail operations endorsement, and cannabis microbusinesses with retail operations endorsement to no fewer than one registration for every 12,500 residents.”

WHEREAS, Pursuant to Minn. Stat. §342.13(i), “If a county has one active registration for every 12,500 residents, a city or town within the county is not obligated to register a cannabis business.”

WHEREAS, Pursuant to Minn. Stat. §342.22, subd. 1, “Before making retail sales to customers or patients, a cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, medical cannabis combination business, or lower-potency hemp edible retailer [also referred to as cannabis retail businesses] must register with the city, town, or county in which the retail establishment is located. A county may issue a registration in cases where a city or town has provided consent for the county to issue the registration for the jurisdiction.”

WHEREAS, Pursuant to Minn. Stat. § 342.22, subd. 4, a local unit of government that registers a cannabis retail business “shall conduct compliance checks of every cannabis business and hemp business with a retail registration issued by the local unit of government. During a compliance check, a local unit of government shall assess a business’s compliance with age verification requirements and compliance with any applicable local ordinance established pursuant to section 342.13.” Age verification compliance checks shall be done yearly.

WHEREAS, The legislation also allows the local unit of government to impose registration fees and civil penalties for businesses that are not registered and sell regulated product.

WHEREAS, Pursuant to Minn. Stat. § 342.22, subd. 5, “If a local unit of government determines that a cannabis business or hemp business with a retail registration issued by the local unit of government is not operating in compliance with the requirements of a local ordinance authorized under section 342.13, or that the operation of the business poses an immediate threat to the health or safety of the public, the local unit of government may suspend the retail registration of the cannabis business or hemp business” and must immediately notify the Office of Cannabis Management of the suspension and the reasons.

WHEREAS, Pursuant to Minn. Stat. § 342.22, a city, town or township may consent to and authorize a County to register and enforce all registration and compliance requirements under Minnesota Statute §342.22, or successor statute, and any rules or regulations adopted under Minnesota Chapter 342 by the State of Minnesota or the Office of Cannabis Management.

WHEREAS, Avon Township desires the County of Stearns to administer its obligations under Minnesota Statutes Chapter 342 to enforce all registration requirements and conduct all compliance checks under Minnesota Statute §342.22, or successor statute, and enforce any rules or regulations adopted under Minnesota Chapter 342 by the State of Minnesota or the Office of Cannabis Management.

The County of Stearns and the Township of Avon agree that:

1. This agreement is authorized by Minn. Stat. § 342.22, subdivision 1, Minn. Stat. § 342.13 and Minn. Stat. § 471.59, as a joint powers collaborative.
2. The County of Stearns will act in place of the Township of Avon and the County of Stearns will have the authority to exercise all duties and rights associated with registration and compliance pursuant to Minn. Stat. chapter 342, or successor statutes.
3. The County of Stearns is authorized and has the consent of the Township of Avon to register and enforce all registration and compliance requirements under Minn. Stat. § 342.22.
4. Any fees or penalties collected for registration and enforcement will remain entirely with the County of Stearns. The Parties will each retain any Local Government Cannabis Aid allocated to them by the State of Minnesota.
5. The County of Stearns will annually provide sufficient funding for the administration, enforcement and registration of the possession, sale and use of cannabis within the jurisdictional limits of Township of Avon. Source of funds shall be through State grant funds, County cannabis aid funds, general revenue funds and the collection of fees and penalties as established by the County of Stearns. The County of Stearns retains the right to amend this agreement to include payment by the Township of Avon of its pro rata share of the expenses incurred by the County in furtherance of this Agreement which are not otherwise covered by the source of funds described herein.
6. The Township of Avon shall retain all authority granted to it under Minnesota Chapter 462 (Municipal Planning and Zoning).
7. Any ordinance adopted pursuant to Minn. Stat. § 342.13 and § 342.22 by the County of Stearns regarding registration and compliance of Cannabis Retail Businesses, shall be

construed to supersede any local municipal regulation or ordinance which conflicts with said Ordinance(s) adopted by the County of Stearns. This provision will not apply to the town's ordinances adopted pursuant to Minn. Stat. Ch. 462 which do not conflict with the County's ordinances adopted pursuant to Minn. Stat. § 342.13 and 342.22.

8. The parties to this agreement will be subject to and follow the terms of the Minnesota Government Data Practice Act as provided under Minnesota Statutes Chapter 13 for all requests for access to data. The County of Stearns shall maintain all records, accounts and reports for the regulation and registration and compliance of cannabis retail businesses.
9. The County of Stearns shall account for any funds and shall provide a report of all receipts and disbursements upon request. If any surplus property or funds are obtained through this agreement, they shall be distributed to the County of Stearns in the event this agreement is terminated.
10. The County of Stearns shall be solely responsible for the compensation of its employees and elected members, including specifically but not exclusively worker's compensation insurance and all taxes, while performing their duties under this agreement. The Township of Avon shall be solely responsible for the compensation of its employees and elected members, including specifically but not exclusively worker's compensation insurance and all taxes, while performing their duties under this agreement. No employee of the County of Stearns shall become an employee of the Township of Avon, and no employee of the Township of Avon, shall become an employee of the County of Stearns, by virtue of this agreement.
11. All responsibilities not specifically set out to be jointly exercised by the Parties under this Agreement are hereby reserved to the Parties individually. Nothing in this Agreement shall act as a waiver by a participating Party of its individual power and legal authority to provide services.

12. Indemnification and Hold Harmless:

To the full extent permitted by law, actions by the Parties pursuant to this Agreement are intended to be and shall be construed as a "cooperative activity" and it is the intent of the Parties that they shall be deemed a "single governmental unit" for the purpose of liability as set forth in Minnesota Statutes, Section 471.59, subd. 1a(a); provided further that for purposes of that statute, each Party to this Agreement expressly declines responsibility for the acts or omissions of the other Party.

The Parties of this Agreement are not liable for the acts or omissions of the other participants to this Agreement except to the extent to which they have agreed in writing to be responsible for acts or omissions of the other Parties.

- 13. This agreement may be amended by mutual agreement of the County of Stearns and the Township of Avon by resolutions of their respective boards.
- 14. This agreement shall become effective upon signature of all duly authorized signatures and shall remain in effect until terminated by agreement of the parties or thirty days after written notice of termination by either party.

Adopted by the Avon Township Board of Supervisors, this 8th day of January, 2025.



Bryan Rassic, Town Board Chair, Township of Avon
Chad Klocker vice chair

1-8-25
Date

ATTEST:



Marion Gondringer, Deputy Clerk, Township of Avon

1-8-25
Date



County of Stearns
Michael Williams, County Administrator

Date