AGENDA
COMMUNITY COMMITTEE
Wednesday, August 21, 2019 – 7:00 p.m.
Council Chambers
Fairview Heights City Hall
10025 Bunkum Road

Public Participation

Approval of Minutes – August 22, 2019

Planning
Alderman Harry Zimmerman, Chairman

1. Director’s Report
   a. Active Building Permits Report
   b. Feature - Cannabis

Development
Alderman Bill Poletti, Chairman

1. Director’s Report
   a. Feature- Study: Five retailers opening stores for every retailer closing stores
   b. Feature - Economic Developers, retailers to convene again in Metro East
   c. Feature - Understanding the Challenges to a Successful Cannabis Economy

2. Sales Tax

Parks & Recreation
Alderman Brenda Wagner, Chairman

1. Director’s Report
COMMUNITY COMMITTEE MINUTES
Wednesday, July 17, 2019 - 7:00 p.m.
City Council Chambers
10025 Bunkum Road, Fairview Heights, IL

Committee Members in attendance – Ryan Vickers, Brenda Wagner, Harry Zimmerman, Bill Poletti, Mayor Mark Kupsky, Ex-officio

Committee Members absent – Frank Menn

Other Aldermen and Elected Official in attendance – Pat Peck, Denise Williams Anthony LeFore

Staff in attendance - Parks and Recreation Director Angela Beaston, Economic Development Director Paul Ellis, Land Use and Development Director Andrea Riganti, City Attorney Garrett Hoerner, Lt. Wade Gummersheimer

Recorder – Cheryl Kleb

Public Participation - none

Approval of June 19, 2019
Motion and second to approve said minutes were made by Committee Members Bill Poletti/Harry Zimmerman. Motion carried.

Parks & Recreation Committee
Alderman Brenda Wagner, Chairman

Parks and Recreation Director’s Report
Director Beaston presented the Director’s written report to Committee for review. There were no questions.

Planning Committee
Alderman Harry Zimmerman, Chairman

Land Use & Development Director’s Report
Director Riganti presented the Director’s report to Committee for review. Director Riganti distributed a handout regarding the 2019 Cannabis Regulation and Tax Act which becomes effective January 1, 2020. Staff will research sample legislation and options to be presented for review and discussion at next month’s meeting.

Development Committee
Alderman Bill Poletti, Chairman

Ordinance to authorize PACE Financing Program
Director Ellis briefed Committee on a Proposed establishing a Property Assessed Clean Energy (PACE) area and establishing a PACE Program to finance or refinance construction and installation of energy projects; and other matters related thereto.
Motion and second to recommend to City Council approval of an Ordinance establishing a Property Assessed Clean Energy (PACE) area and establishing a PACE program to finance or refinance construction and installation of energy projects; and other matters related thereto were made by Aldermen Brenda Wagner/Harry Zimmerman. Motion and second were made to amend the proposed ordinance and exhibits were made by Aldermen Brenda Wagner/Harry Zimmerman. Motion carried to forward to City Council as amended.

**Ordinance to Designate Program Administrator (Sustainable Solutions Funding, LLC)**
Director Ellis briefed Committee on a Proposed Ordinance approving a Memorandum of Understanding by and between the City of Fairview Heights, Illinois and Sustainable Solutions Funding, LLC.

Motion and second to recommend to City Council approval of an Ordinance approving a Memorandum of Understanding by and between the City of Fairview Heights, Illinois and Sustainable Solutions Funding, LLC. were made by Aldermen Harry Zimmerman/Brenda Wagner. Motion carried.

**Economic Development Director's Report**
Director Ellis presented the Director's report to Committee for review. There were no questions.

**Sales Tax**
Director Ellis reported on the Sales Tax Report and factors that impacted sales taxes.

Adjournment 8:15 p.m.

Submitted By:

_________________________________
Recorder
INTEROFFICE MEMORANDUM

To: City Council
From: Andrea Riganti, Land Use and Development Director
Subject: Director’s Report
Date: August 16, 2019

Following are the major action items or ongoing projects for the Department of Land Use and Development (LUD):

**Planning and Zoning**
- Zoning Board of Appeals did not meet in August 2019 due to lack of agenda items.
- Planning Commission met on August 13, 2019. The main topic was potential land use/zoning impacts of the Illinois Act legalizing recreational marijuana. The Act will become effective January 1, 2020. In advance, municipalities need to decide whether to allow and regulate the use or “opt out” of permitting cannabis related businesses. After discussion, Commission members expressed a desire to prohibit cannabis businesses in Fairview Heights. A Resolution expressing the Commission’s opinion will be formally considered at a future meeting and then forwarded to City Council. Attached is some information relating to this issue and a link to additional resources: [https://iml.org/cannabis](https://iml.org/cannabis)
- Staff continues to consult with developers, property owners, and residents on new development and zoning related matters.
- Staff is working with city planning peers in Illinois to develop a Planning Commissioner’s workshop in the near future.
- Staff is also developing a Fairview Heights’ Planning Commission Orientation Binder that includes roles and responsibilities, authority, zoning processes and best practices, Commissioner do’s and don’ts, by-laws, and reference materials.
- Staff continues to work with Economic Development Department and consultants on the Economic Development Strategy.
- Staff continues to work on TIF implementation and administration, including the Bunkum Road TIF.
- Staff continues to collaborate with the Department of Public Works on several projects including grass/weed abatement and stormwater issues.
- Staff is providing technical guidance on the possible creation of a neighborhood association for the Fox Creek Subdivision.
**Code Enforcement**

- Staff continues to perform routine inspections of problem properties and “hot spots” for potential property maintenance issues. Staff also responds to complaint driven issues for same.

- Staff continues to respond to animal control calls.

- Staff is working on the neighborhood preservation strategy. Specifically, a block by block neighborhood sweep is being performed in low to moderate income areas to identify exterior maintenance issues or those with the potential to deteriorate. Said property will be cited if appropriate or will receive a letter informing the owner of home repair programs available through St. Clair County.

**Building Division**

- Staff is developing an application, brochures, and implementation processes for licensing electrical contractors in accordance with recently adopted 1838-2019 requiring same. The target date for implementation is October 1, 2019.

- Staff continues to perform plan review and building related inspections. Construction activity is steady this time of year.

- Attached is recent building permit activity.

The Department is evaluating a new cloud based permitting system that will better integrate all permitting functions, have expansion capabilities, and be more user friendly. It will provide more efficiencies and significantly reduce redundancies. The current system has very limited abilities. For example, inspections cannot be scheduled or linked to a permit – a paper calendar is used.

Please let me know if there are questions or concerns.

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**FYE: DUE PROCESS IN ZONING, BUILDING & CODE ENFORCEMENT DECISIONS**

As government agents, City staff & officials may not deprive people (property owners) of life, liberty or property without “due process of law”. Generally, there are two types of due process: **procedural & substantive**.

**Procedural** due process is the approach used to arrive at a decision. It requires that an affected property owner be given notice, an opportunity to be heard, & the reason for an action prior to action being taken. Procedural due process is followed by Code Enforcement Officers for property maintenance violations.

**Substantive** due process addresses the fairness of a decision. A decision must be reasonable & rational, rather than based on personal opinion, values or influence. Planning Commission applies substantive due process when reviewing development applications.
NEW COMMERCIAL PROPERTIES UNDER CONSTRUCTION

1. New Strip Center – Dulaney Enterprises – 5325 North Illinois – Mix Use
   Vernon Dulaney @660-9522.
   Jackie Wooten @314-497-6098
3. HSHS Offices – 343 Fountains Parkway Ste 102 – Interior Demolition only
   Kari Haller @277-8870
4. AT & T Roof Top Tower – 6701 N Illinois US BANK
   Lindsey @636-922-3400
   Tim Slater @741-2924
   Kari Haller / Holland Construction @277-8870
7. Fairview Heights Medical Office – 317 Salem Place
   Nathan Lubin Enterprises @901-485-4478.
8. Verizon – MCI – 5 Ludwig Dr Boring ROW –
   Terry Harrison @314-737-3343
   Terry Harrison @314-737-3343
10. MCI METRO – 6701 – Boring – Fiber Optic
    Terry Harrison @314-737-3343
    Robert Stanley @407-6057
12. Long Acre Ponds Building #10 – 21 Northbrook Circle – Renovations
    Charles Brown/CAMP CONSTRUCTION @ 704-493-5700
13. Total Eye Care – 815 Linc Hwy #103 – Alterations
    Robbie Mize @616-8498
14. H & M – St Clair Square – Retail – Landlord Build Out
    Michael Lee /CASCO+R5 @314-238-2029
15. Urban Air – 67 Ludwig Dr – Tenant Finish – Assembly
    Morgan Stewart @ 636-970-0330
16. ITIC – Support Services – 125 N Ruby Lane – Remodel
    Jason McCoy @410-0726
17. Los Gauchos Restaurant – 823 Lincoln Hwy Ste 105 – Build Out
    Robbie Mixe @616-8498
    Brandon Webb @951-582-5758.
19. GSA – 15 Executive dr – Tenant Remodel & Parking Addition
    Heather Stewart @314-242-0194
20. Crossroads Centre – 10850 Lincoln Trail – Site & Building Improvements
    Impact Strategies @394-8400
CONTINUED:

21. Forever 21 – St Clair Sq Suite 112 – Tenant Finish Expansion- Retail
   Jason Prado @ 213-763-6704
   Michael Thieleman @541-200-8100.
23. ITIC Behavioral health Services – 141 Market Place Ste 100 – Office
   Chris Loesser @314-393-7972
24. Grace Church – 5151 N Illinois – Addition and Site work
   Robb Lappe @ 314-725-5588
25. H & M = St Clair Squre – Tenant Finish
   Kevin McKenna @312-260-7074
26. AT & T Tower – 10025 Bunkum Rd – TowerGenerator
   Casey Werner @502-263-9472
   Kevin McKenna @800-407-7990
28. Carters and Idds – 5961 North Illinois – Retail
   Bryant Daniel @860-783-5670
29. First Baptist Church – 10401 Lincoln Trail – Shad Canopies.
   Jerry Parsons @314-363-7637
30. Sky Zone – 10850 Linc Trail – Axe Attraction
   Mike @314-750-0898
   Tim Jenkins @618-980-6913
32. Dr. Shabbir Shaikh – 5003 N Illinois – Office
   Sabbir @233-5000
33. The Lofts Hair & Beauty – 4 Longacre Drive – NEW CONSTRUCTION
   H Sue Edith @979-6064
34. Chuck E Cheese 10850 Lincoln Trail Ste 4 – interior remodel
   Cathy West @469-470-2074
NEW UPCOMING COMMERCIAL PROJECTS AND UNDER REVIEW

1. Mark II – 10505 Lincoln Trail – Door modifications
   Hans Kohl @234-6720
2. Ana Creative Cakes & Cookies – 9211 St Clair Ave – Tenant Finish
   Torre Edwards @618-363-8278
3. 1010 & 1030 Linc Hwy / 6321 Old Collinsville Rd – Demolition/Moto Project
   Andrew Wall @618-233-6754
4. Grace Church – 5151 N Illinois – Site Improvements and Addition
   Justin Hug @632-7004
   Kathy @233-5000
6. Verizon Tower addition – 104 Ludwig Dr.
   Sydney James @314-989-9810
   Michael Gasser @317-249-2028
8. Woolpert Engineering – 343 Fountains Parkway Ste 100 – Tenant Finish
   Clayton Herring @ 980-6020

NEW BUSINESSES – Commercial Inspections & Change of Occupancy in last 30 days

1. Spirit Halloween – 114 Commerce – Temp Store – Retail
   Bambi Eilens @560-3752
2. Core Staffing LLC – 6001 Old Collinsville Rd – Office/Business
   J.R. Mickey @314-287-0095
Adult-Use Cannabis Resources

7/16/19
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Fact Sheet
Adult-Use Cannabis
Adult-Use Cannabis

Public Act 101-0027 creates the Cannabis Regulation and Tax Act and was signed into law by Governor JB Pritzker on June 25, 2019. Effective January 1, 2020, the Act legalizes the possession and private use of cannabis for Illinois residents over 21 years of age.

LOCAL REGULATION OF CONSUMPTION
Municipalities may not restrict the private consumption of cannabis that is authorized by the Act. However, the Act prohibits the use of cannabis in public places, schools and child care facilities among other locations. Municipalities may adopt and enforce local ordinances to regulate possession and public consumption of cannabis so long as the regulations and penalties are consistent with the Act.

HOME GROW LIMITED TO MEDICAL PROGRAM PARTICIPANTS
Home grow cannabis will be authorized only for medical cannabis program participants, and is limited to five plants in their residence and subject to specified restrictions. Home grow of recreational cannabis by non-medical participants is prohibited. More information about the medical cannabis program is available via this link.

BUSINESS REGULATION
In addition to zoning authority, municipalities will have the authority to allow for on-premise use of cannabis at locations to be determined locally. The Act anticipates that local authorities will engage in inspections of cannabis-related businesses. Municipalities may establish and impose civil penalties for violations of the local ordinances and regulations.
LOCAL REVENUE

Municipalities, by ordinance, may impose a Municipal Cannabis Retailers’ Occupation Tax on adult-use cannabis products of up to 3% of the purchase price, in .25% increments. Counties may impose up to 3.75% in unincorporated areas, in .25% increments. The taxes imposed under this Act shall be in addition to all other occupation, privilege or excise taxes imposed by the State of Illinois or by any unit of local government, such as sales tax.

SMOKE FREE ILLINOIS ACT

The Act applies the restrictions of the Smoke Free Illinois Act on smoking cannabis, and provides that property owners may prohibit the use of cannabis by any guest, lessee, customer or visitor. In addition, lessors may prohibit cultivation of cannabis by their lessees.

EMPLOYER PROVISIONS

The Act provides employer protections including that nothing in the enactment prohibits employers from adopting reasonable zero-tolerance or drug-free workplace employment policies concerning drug testing, smoking, consumption, storage or use of cannabis in the workplace or while on-call. These policies must be applied in a nondiscriminatory manner. Employers may prohibit the use of cannabis by employees in the workplace, and engage in discipline, including termination, for violations of those policies and workplace rules.

STATE LICENSING

The Act authorizes the production and distribution of cannabis and cannabis products through state-licensed cultivators, craft growers, infusers, transporters and dispensaries. Cannabis transporters will be separately licensed by the Act, as well. A market study due in March 2021 will inform future licensing. The state will issue licenses according to a graduated scale. By the end of the first year, there will be up to 295 dispensing organizations. The Act will allow up to 500 dispensing organizations by January 1, 2022. Cultivators will be capped at 50, and 100 craft growers will be allowed. By that same date, 100 infusers will also be authorized to be licensed.

GRANTS AND INVESTMENT

The Act establishes the Restore, Reinvest and Renew (R3) Program to invest in communities historically impacted by economic disinvestment and violence. The Illinois Criminal Justice Information Authority (ICJIA) will identify R3 areas that qualify for funding, and grants will be awarded by the R3 Board. A 22-member R3 Board will award grants throughout the state, subject to an application process and the Government Accountability and Transparency Act (GATA); the R3 Board shall be chaired by the Lt. Governor.

SOCIAL EQUITY

The Act provides for a social equity program to establish a legal cannabis industry that is accessible to those most adversely impacted by the enforcement of drug-related laws in this state, including cannabis-related laws. Qualifying social equity applicants may be awarded financial assistance and incentives if they are interested in establishing cannabis related businesses.

DECRIMINALIZATION AND EXPUNGEMENTS

A significant portion of the Act addresses the decriminalization of cannabis through mandatory and discretionary expungements of criminal convictions relating to non-violent cannabis offenses.
Model Ordinance
Municipal Cannabis Business Prohibition
MODEL ORDINANCE
MUNICIPAL CANNABIS BUSINESS PROHIBITION

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE MUNICIPAL CODE
OF THE CITY/VILLAGE OF _____________
BY THE ADDITION OF [ARTICLE/CHAPTER] ______
PROHIBITING CANNABIS BUSINESS ESTABLISHMENTS

WHEREAS, the City/Village has the authority to adopt ordinances and to promulgate rules and regulations [that pertain to its government and affairs and] that protect the public health, safety and welfare of its citizens; and

WHEREAS, this Ordinance is adopted pursuant to the provisions of the Illinois Cannabis Regulation and Tax Act, Public Act 101-0027, which provides that the City/Village has the authority to prohibit adult-use cannabis business establishments; and

WHEREAS, the City/Village has determined that the operation of cannabis business establishments would present adverse impacts upon the health, safety and welfare of the residents, and additional costs, burdens and impacts upon law enforcement and regulatory operations of the City/Village; and

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City/Board of Trustees of the Village of _________________ as follows:

SECTION 1. Recitals. The facts and statements contained in the preamble to this Ordinance are found to be true and correct and are hereby adopted as part of this Ordinance.

SECTION 2. Cannabis Business Establishments Prohibited. Chapter ___ of the Municipal Code of the City/Village of _____________ shall be amended by the addition of [Article/Chapter] _____ that will read as follows:


1. Definitions. The following words and phrases shall, for the purposes of this Article [Chapter], have the meanings respectively ascribed to them by this section, as follows:

ADULT-USE CANNABIS BUSINESS ESTABLISHMENT: A cultivation center, craft grower, processing organization, infuser organization, dispensing organization or transporting organization.

ADULT-USE CANNABIS CRAFT GROWER: A facility operated by an organization or business that is licensed by the Illinois Department of Agriculture to cultivate, dry, cure
and package cannabis and perform other necessary activities to make cannabis available for sale at a dispensing organization or use at a processing organization, per the Cannabis Regulation and Tax Act, (P.A.101-0027), as it may be amended from time-to-time, and regulations promulgated thereunder.

ADULT-USE CANNABIS CULTIVATION CENTER: A facility operated by an organization or business that is licensed by the Illinois Department of Agriculture to cultivate, process, transport and perform necessary activities to provide cannabis and cannabis-infused products to licensed cannabis business establishments, per the Cannabis Regulation and Tax Act, (P.A.101-0027), as it may be amended from time-to-time, and regulations promulgated thereunder.

ADULT-USE CANNABIS DISPENSING ORGANIZATION: A facility operated by an organization or business that is licensed by the Illinois Department of Financial and Professional Regulation to acquire cannabis from licensed cannabis business establishments for the purpose of selling or dispensing cannabis, cannabis-infused products, cannabis seeds, paraphernalia or related supplies to purchasers or to qualified registered medical cannabis patients and caregivers, per the Cannabis Regulation and Tax Act, (P.A.101-0027), as it may be amended from time-to-time, and regulations promulgated thereunder.

ADULT-USE CANNABIS INFUSER ORGANIZATION OR INFUSER: A facility operated by an organization or business that is licensed by the Illinois Department of Agriculture to directly incorporate cannabis or cannabis concentrate into a product formulation to produce a cannabis-infused product, per the Cannabis Regulation and Tax Act, (P.A.101-0027), as it may be amended from time-to-time, and regulations promulgated thereunder.

ADULT-USE CANNABIS PROCESSING ORGANIZATION OR PROCESSOR: A facility operated by an organization or business that is licensed by the Illinois Department of Agriculture to either extract constituent chemicals or compounds to produce cannabis concentrate or incorporate cannabis or cannabis concentrate into a product formulation to produce a cannabis product, per the Cannabis Regulation and Tax Act, (P.A.101-0027), as it may be amended from time-to-time, and regulations promulgated thereunder.

ADULT-USE CANNABIS TRANSPORTING ORGANIZATION OR TRANSPORTER: An organization or business that is licensed by the Illinois Department of Agriculture to transport cannabis on behalf of a cannabis business establishment or a community college licensed under the Community College Cannabis Vocational Training Pilot Program, per the Cannabis Regulation and Tax Act, (P.A.101-0027), as it may be amended from time-to-time, and regulations promulgated thereunder.

PERSON: Any person, firm, corporation, association, club, society or other organization, including any owner, manager, proprietor, employee, volunteer or agent.
2. Cannabis Business Establishments Prohibited. The following Adult-Use Cannabis Business Establishments are prohibited in the City/Village of ____________. No person shall locate, operate, own, suffer, allow to be operated or aide, abet or assist in the operation within the City/Village of ________ of any of the following:

- Adult-Use Cannabis Craft Grower
- Adult-Use Cannabis Cultivation Center
- Adult-Use Cannabis Dispensing Organization
- Adult-Use Cannabis Infuser Organization or Infuser
- Adult-Use Cannabis Processing Organization or Processor
- Adult-Use Cannabis Transporting Organization or Transporter

3. Public Nuisance Declared. Operation of any prohibited Cannabis Business Establishment within the City/Village in violation of the provisions of this Article [Chapter] is hereby declared a public nuisance and shall be abated pursuant to all available remedies.

4. Violations. Violations of this Article [Chapter] may be enforced in accordance with the provisions of Article [Chapter] ___ of this Code.

5. Severability. If any provision of this Ordinance, or the application of any provision of this Ordinance, is held unconstitutional or otherwise invalid, such occurrence shall not affect other provisions of this Ordinance, or their application, that can be given effect without the unconstitutional or invalid provision or its application. Each unconstitutional or invalid provision, or application of such provision, is severable, unless otherwise provided by this Ordinance.

6. Effective Date. This Ordinance shall be in full force and effect from and after its passage and approval and publication as required by law.

ADOPTED THIS _______ day of ________________, 20__.
AYES:
NAYS:
ABSTENTIONS:
ABSENT:

APPROVED THIS _______ day of ________________, 20__.

__________________________________
Mayor/Village President

ATTEST:

__________________________________
City/Village Clerk
Model Ordinance
Municipal Cannabis Business Zoning
MODEL ORDINANCE
MUNICIPAL CANNABIS BUSINESS ZONING

ORDINANCE NO. ______

AN ORDINANCE AMENDING CHAPTER ___ (ZONING TITLE, PURPOSE, DEFINITIONS), CHAPTER ___ (GENERAL ZONING PROVISIONS), CHAPTER ___ (COMMERCIAL DISTRICTS), AND CHAPTER ___ (INDUSTRIAL DISTRICTS) OF TITLE ___ (ZONING ORDINANCE) OF THE _________ MUNICIPAL CODE PERTAINING TO ADULT-USE CANNABIS

WHEREAS, the City/Village of ____________, Illinois, has enacted Municipal Code Regulations for the purpose of improving and protecting the public health, safety, comfort, convenience and general welfare of the people; and

WHEREAS, the State of Illinois enacted the Cannabis Regulation and Tax Act (Act), which pertains to the possession, use, cultivation, transportation and dispensing of adult-use cannabis, which became effective June 25, 2019; and

WHEREAS, pursuant to the Act, the City/Village may enact reasonable zoning ordinances or resolutions not in conflict with the Act, regulating cannabis business establishments, including rules adopted governing the time, place, manner and number of cannabis business establishments, and minimum distance limitations between cannabis business establishments and locations the City/Village deems sensitive; and

WHEREAS, on ____________, the City Council/Village Board initiated an amendment to Title ___ (Zoning Ordinance) to review and consider additional amendments to further regulate adult-use cannabis facilities within the City/Village of ___________; and

WHEREAS, the Planning and Zoning Commission/Zoning Board of Appeals conducted public hearings, as required by law, on ____________, and ____________, in regards to the proposed amendments to Title ___ (Zoning Ordinance) of the __________ Municipal Code pertaining to adult-use cannabis; and

WHEREAS, the Planning and Zoning Commission/Zoning Board of Appeals recommended approval of the proposed amendments to Title ___ (Zoning Ordinance) on ____________.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City/Board of Trustees of the Village of _________________ as follows:

SECTION 1: The recitals set forth above are incorporated herein.

SECTION 2: Chapter ___ (Zoning Title, Purpose, Definitions) of Title ___ (Zoning Ordinance) of the __________ Municipal Code is hereby amended by adding the underlined language and deleting the stricken language, as follows:

1
**ADULT-USE CANNABIS BUSINESS ESTABLISHMENT:**
An adult-use cannabis cultivation center, craft grower, processing organization, infuser organization, dispensing organization or transporting organization.

**ADULT-USE CANNABIS CRAFT GROWER:**
A facility operated by an organization or business that is licensed by the Illinois Department of Agriculture to cultivate, dry, cure and package cannabis and perform other necessary activities to make cannabis available for sale at a dispensing organization or use at a processing organization, per the Cannabis Regulation and Tax Act, (P.A. 101-0027), as it may be amended from time-to-time, and regulations promulgated thereunder.

**ADULT-USE CANNABIS CULTIVATION CENTER:**
A facility operated by an organization or business that is licensed by the Illinois Department of Agriculture to cultivate, process, transport and perform necessary activities to provide cannabis and cannabis-infused products to licensed cannabis business establishments, per the Cannabis Regulation and Tax Act, (P.A. 101-0027), as it may be amended from time-to-time, and regulations promulgated thereunder.

**ADULT-USE CANNABIS DISPENSING ORGANIZATION:**
A facility operated by an organization or business that is licensed by the Illinois Department of Financial and Professional Regulation to acquire cannabis from licensed cannabis business establishments for the purpose of selling or dispensing cannabis, cannabis-infused products, cannabis seeds, paraphernalia or related supplies to purchasers or to qualified registered medical cannabis patients and caregivers, per the Cannabis Regulation and Tax Act, (P.A. 101-0027), as it may be amended from time-to-time, and regulations promulgated thereunder.

**ADULT-USE CANNABIS INFUSER ORGANIZATION OR INFUSER:**
A facility operated by an organization or business that is licensed by the Illinois Department of Agriculture to directly incorporate cannabis or cannabis concentrate into a product formulation to produce a cannabis-infused product, per the Cannabis Regulation and Tax Act, (P.A. 101-0027), as it may be amended from time-to-time, and regulations promulgated thereunder.

**ADULT-USE CANNABIS PROCESSING ORGANIZATION OR PROCESSOR:**
A facility operated by an organization or business that is licensed by the Illinois Department of Agriculture to either extract constituent chemicals or compounds to produce cannabis concentrate or incorporate cannabis or cannabis concentrate into a product formulation to produce a cannabis product, per the Cannabis Regulation and Tax Act, (P.A. 101-0027), as it may be amended from time-to-time, and regulations promulgated thereunder.

**ADULT-USE CANNABIS TRANSPORTING ORGANIZATION OR TRANSPORTER:**
An organization or business that is licensed by the Illinois Department of Agriculture to transport cannabis on behalf of a cannabis business establishment or a community college licensed under the Community College Cannabis Vocational Training Pilot Program, per the Cannabis Regulation and Tax Act, (P.A. 101-0027), as it may be amended from time-to-time, and regulations promulgated thereunder.
SECTION 3: Chapter (General Zoning Provisions) of Title (Zoning Ordinance) of the Municipal Code is hereby amended by adding the underlined language and deleting the stricken language, as follows:

* * *

**ADULT-USE CANNABIS:**

1. Purpose and Applicability: It is the intent and purpose of this Section to provide regulations regarding the cultivation, processing and dispensing of adult-use cannabis occurring within the corporate limits of the City/Village of __________. Such facilities shall comply with all regulations provided in the Cannabis Regulation and Tax Act (P.A. 101-0027) (Act), as it may be amended from time-to-time, and regulations promulgated thereunder, and the regulations provided below. In the event that the Act is amended, the more restrictive of the state or local regulations shall apply.

2. Conditional Use: Adult-Use Cannabis Business Establishment facilities, as defined herein, requiring approval of a conditional use in the respective districts in which they are requested shall be processed in accordance with Section ____ (Conditional Uses) of this Title and Section 3 (Adult-Use Cannabis Facility Components) as provided herein.

3. Adult-Use Cannabis Facility Components: In determining compliance with Section ____ (Conditional Uses) of this Title, the following components of the Adult-Use Cannabis Facility shall be evaluated based on the entirety of the circumstances affecting the particular property in the context of the existing and intended future use of the properties:
   3.1 Impact of the proposed facility on existing or planned uses located within the vicinity of the subject property.
   3.2 Proposed structure in which the facility will be located, including co-tenancy (if in a multi-tenant building), total square footage, security installations/security plan and building code compliance.
   3.3 Hours of operation and anticipated number of customers/employees.
   3.4 Anticipated parking demand based on Section ___ and available private parking supply.
   3.5 Anticipated traffic generation in the context of adjacent roadway capacity and access to such roadways.
   3.6 Site design, including access points and internal site circulation.
   3.7 Proposed signage plan.
   3.8 Compliance with all requirements provided in Section 4 (Adult-Use Cannabis Craft Grower); Section 5 (Adult-Use Cannabis Cultivation Center); Section 6 (Adult-Use Cannabis Dispensing Organization); Section 7 (Adult-Use Cannabis Infuser Organization); Section 8 (Adult-Use Cannabis Processing Organization); or Section 9 (Adult-Use Cannabis Transporting Organization), as applicable.
   3.8 Other criteria determined to be necessary to assess compliance with Section ____ (Conditional Uses) of this Title.
4. Adult-Use Cannabis Craft Grower: In those zoning districts in which an Adult-Use Cannabis Craft Grower may be located, the proposed facility must comply with the following:

4.1 Facility may not be located within 1,500 feet of the property line of a pre-existing public or private nursery school, preschool, primary or secondary school, day care center, day care home or residential care home. Learning centers and vocational/trade centers shall not be classified as a public or private school for purposes of this Section.

4.2 Facility may not be located within 1,500 feet of the property line of a pre-existing property zoned or used for residential purposes.

4.3 Facility may not conduct any sales or distribution of cannabis other than as authorized by the Act.

4.4 For purposes of determining required parking, Adult-Use Cannabis Craft Grower shall be classified as “_______” per Section ___ (Schedule of Off-Street Parking Requirements: Industrial Uses), provided, however, that the City/Village may require that additional parking be provided as a result of the analysis completed through Section ___ (Adult-Use Cannabis: Conditional Use) herein.

4.5 Petitioner shall file an affidavit with the City/Village affirming compliance with Section ___ as provided herein and all other requirements of the Act.

5. Adult-Use Cannabis Cultivation Center: In those zoning districts in which an Adult-Use Cannabis Cultivation Center may be located, the proposed facility must comply with the following:

5.1 Facility may not be located within 1,500 feet of the property line of a pre-existing public or private nursery school, preschool, primary or secondary school, day care center, day care home or residential care home. Learning centers and vocational/trade centers shall not be classified as a public or private school for purposes of this Section.

5.2 Facility may not be located within 1,500 feet of the property line of a pre-existing property zoned or used for residential purposes.

5.3 Facility may not conduct any sales or distribution of cannabis other than as authorized by the Act.

5.4 For purposes of determining required parking, Adult-Use Cannabis Cultivation Centers shall be classified as “_______” per Section ___ (Schedule of Off-Street Parking Requirements: Industrial Uses), provided, however, that the City/Village may require that additional parking be provided as a result of the analysis completed through Section ___ (Adult-Use Cannabis: Conditional Use) herein.

5.5 Petitioner shall file an affidavit with the City/Village affirming compliance with Section ___ as provided herein and all other requirements of the Act.

6. Adult-Use Cannabis Dispensing Organization: In those zoning districts in which an Adult-Use Cannabis Dispensing Organization may be located, the proposed facility must comply with the following:

6.1 Facility may not be located within 1,500 feet of the property line of a pre-existing public or private nursery school, preschool, primary or secondary school, day care center, day care home or residential care home. Learning centers and vocational/trade centers shall not be classified as a public or private school for purposes of this Section.

6.2 Facility may not be located in a dwelling unit or within 250 feet of the property line of a pre-existing property zoned or used for residential purposes.
6.3 At least 75% of the floor area of any tenant space occupied by a dispensing organization shall be devoted to the activities of the dispensing organization as authorized by the Act, and no dispensing organization shall also sell food for consumption on the premises other than as authorized in Section 6.5 below in the same tenant space.

6.4 Facility may not conduct any sales or distribution of cannabis other than as authorized by the Act.

6.5 Facility may be issued a permit to host on-site consumption of cannabis if located in a freestanding structure occupied solely by the dispensing organization and smoke from the facility does not migrate into an enclosed area where smoking is prohibited. The security plan for the facility required by Section 10 (Additional Requirements) shall also reflect adequate provisions to respond to disruptive conduct and over-consumption. The on-site consumption permit shall be reviewed annually and may be suspended or revoked following notice and hearing as provided in Section ___ of the City/Village of Municipal Code.

6.6 For purposes of determining required parking, said facilities shall be classified as “......” per Section ___ (Schedule of Off-Street Parking Requirements: Commercial Uses) of the City/Village of Municipal Code, provided, however, that the City/Village may require that additional parking be provided as a result of the analysis completed through Section ___ (Adult-Use Cannabis: Conditional Use) herein.

6.7 Petitioner shall file an affidavit with the City affirming compliance with Section ___ as provided herein and all other requirements of the Act.

7. Adult-Use Cannabis Infuser Organization: In those zoning districts in which an Adult-Use Cannabis Infuser Organization may be located, the proposed facility must comply with the following:

7.1 Facility may not be located within 1,500 feet of the property line of a pre-existing public or private nursery school, preschool, primary or secondary school, day care center, day care home or residential care home. Learning centers and vocational/trade centers shall not be classified as a public or private school for purposes of this Section.

7.2 Facility may not be located in a dwelling unit or within 250 feet of the property line of a pre-existing property zoned or used for residential purposes.

7.3 At least 75% of the floor area of any tenant space occupied by an infusing organization shall be devoted to the activities of the infusing organization as authorized by the Act. Facility may not conduct any sales or distribution of cannabis other than as authorized by the Act.

7.4 For purposes of determining required parking, said facilities shall be classified as “......” per Section ___ (Schedule of Off-Street Parking Requirements: Commercial Uses) of the City/Village of Municipal Code, provided, however, that the City/Village may require that additional parking be provided as a result of the analysis completed through Section ___ (Adult-Use Cannabis: Conditional Use) herein.

7.5 Petitioner shall file an affidavit with the City affirming compliance with Section ___ as provided herein and all other requirements of the Act.
8. Adult-Use Cannabis Processing Organization: In those zoning districts in which an Adult-Use Cannabis Processing Organization may be located, the proposed facility must comply with the following:

8.1 Facility may not be located within 1,500 feet of the property line of a pre-existing public or private nursery school, preschool, primary or secondary school, day care center, day care home or residential care home. Learning centers and vocational/trade centers shall not be classified as a public or private school for purposes of this Section.

8.2 Facility may not be located in a dwelling unit or within 250 feet of the property line of a pre-existing property zoned or used for residential purposes.

8.3 At least 75% of the floor area of any tenant space occupied by a processing organization shall be devoted to the activities of the processing organization as authorized by the Act. Facility may not conduct any sales or distribution of cannabis other than as authorized by the Act.

8.4 For purposes of determining required parking, said facilities shall be classified as “_________” per Section______ (Schedule of Off-Street Parking Requirements: Commercial Uses) of the City/Village of_______ Municipal Code, provided, however, that the City/Village may require that additional parking be provided as a result of the analysis completed through Section______ (Adult-Use Cannabis: Conditional Use) herein.

8.5 Petitioner shall file an affidavit with the City affirming compliance with Section______ as provided herein and all other requirements of the Act.

9. Adult-Use Cannabis Transporting Organization: In those zoning districts in which an Adult-Use Transporting Organization may be located, the proposed facility must comply with the following:

9.1 Facility may not be located within 1,500 feet of the property line of a pre-existing public or private nursery school, preschool, primary or secondary school, day care center, day care home or residential care home. Learning centers and vocational/trade centers shall not be classified as a public or private school for purposes of this Section.

9.2 Facility may not be located in a dwelling unit or within 250 feet of the property line of a pre-existing property zoned or used for residential purposes.

9.3 The transporting organization shall be the sole use of the tenant space in which it is located. Facility may not conduct any sales or distribution of cannabis other than as authorized by the Act.

9.4 For purposes of determining required parking, said facilities shall be classified as “_________” per Section______ (Schedule of Off-Street Parking Requirements: ________) of the City/Village of_______ Municipal Code, provided, however, that the City/Village may require that additional parking be provided as a result of the analysis completed through Section______ (Adult-Use Cannabis: Conditional Use) herein.

9.5 Petitioner shall file an affidavit with the City affirming compliance with Section______ as provided herein and all other requirements of the Act.

10. Additional Requirements: Petitioner shall install building enhancements, such as security cameras, lighting or other improvements, as set forth in the conditional use permit, to ensure the safety of employees and customers of the adult-use cannabis business establishments, as well as its environs. Said improvements shall be determined based on the specific characteristics of the
floor plan for an Adult-Use Cannabis Business Establishment and the site on which it is located, consistent with the requirements of the Act.

11. Co-Location of Cannabis Business Establishments. The City/Village may approve the co-location of an Adult-Use Cannabis Dispensing Organization with an Adult-Use Cannabis Craft Grower Center or an Adult-Use Cannabis Infuser Organization, or both, subject to the provisions of the Act and the Conditional Use criteria within the City/Village of ______ Municipal Code. In a co-location, the floor space requirements of Section 6.3 and 7.3 shall not apply, but the co-located establishments shall be the sole use of the tenant space.

SECTION 4: Chapter__ (Commercial Districts) of Title__ (Zoning Ordinance) of the City/Village of _______ Municipal Code is hereby amended by adding the underlined language and deleting the stricken language, as follows:

ARTICLE A. B-1 GENERAL COMMERCIAL DISTRICT

***: PERMITTED USES:

________: CONDITIONAL USES:
The following conditional uses may be permitted in specific situations in accordance with the procedures outlined in Section__ and Chapter__ of this Title, as appropriate:

* * *
Adult-Use Cannabis Dispensing Organization.

ARTICLE B. B-2. INTENSE COMMERCIAL DISTRICT

***: PERMITTED USES:

________: CONDITIONAL USES:
The following conditional uses may be permitted in specific situations in accordance with the procedures outlined in Section__ and Chapter__ of this Title, as appropriate:

* * *
Adult-Use Cannabis Dispensing Organization.
Adult-Use Cannabis Infuser Organization.
Adult-Use Cannabis Processing Organization.
Adult-Use Cannabis Transporting Organization.

SECTION 5: Chapter__ (Industrial Districts) of Title__ (Zoning Ordinance) of the City/Village of ______ Municipal Code is hereby amended by adding the underlined language and deleting the stricken language, as follows:

ARTICLE A. I-1 GENERAL INDUSTRIAL DISTRICT

***: PERMITTED USES:

________: CONDITIONAL USES:
The following conditional uses may be permitted in specific situations in accordance with the procedures outlined in Section____ and Chapter__ of this Title, as appropriate:

* * *
ARTICLE B. I-2 HEAVY INDUSTRIAL DISTRICT

PERMITTED USES:

* * *

CONDITIONAL USES:
The following conditional uses may be permitted in specific situations in accordance with the procedures outlined in Section _____ and Chapter ___ of this Title, as appropriate:

* * *

Adult-Use Cannabis Craft Grower Organization.
Adult-Use Cannabis Dispensing Organization.
Adult-Use Cannabis Infuser Organization.
Adult-Use Cannabis Processing Organization.
Adult-Use Cannabis Transporting Organization.

SECTION 6: Severability. If any provision of this Ordinance or application thereof to any person or circumstances is ruled unconstitutional or otherwise invalid, such invalidity shall not affect other provisions or applications of this Ordinance that can be given effect without the invalid application or provision, and each invalid provision or invalid application of this Ordinance is severable.

SECTION 7: Effective Date. This Ordinance shall be in full force and effect upon its passage and approval as required by law.

ADOPTED THIS ______ day of ________________, 20__.  
AYES:
NAYS:
ABSTENTIONS:
ABSENT:

APPROVED THIS ______ day of ________________, 20__.

__________________________ Mayor/Village President
ATTEST:

__________________________ City/Village Clerk
Model Ordinance
Municipal Cannabis Retailer’s Occupation Tax
MODEL ORDINANCE
MUNICIPAL CANNABIS RETAILERS’ OCCUPATION TAX

ORDINANCE NO. ______

AN ORDINANCE AMENDING THE MUNICIPAL CODE
OF THE CITY/VILLAGE OF ____________
BY THE ADDITION OF [ARTICLE/CHAPTER] ________
IMPOSING A MUNICIPAL CANNABIS RETAILERS’ OCCUPATION TAX

WHEREAS, the City/Village has the authority to adopt ordinances and to promulgate rules and regulations [that pertain to its government and affairs and] that protect the public health, safety and welfare of its citizens; and

WHEREAS, this Ordinance is adopted pursuant to the provisions of the Illinois Municipal Cannabis Retailers’ Occupation Tax Law, 65 ILCS 5/11-8-22 et seq. (Act); and

WHEREAS, this Ordinance is intended to impose the tax authorized by the Act providing for a municipal cannabis retailers’ occupation tax which will be collected by the Illinois Department of Revenue;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City/ Board of Trustees of the Village of ________________ as follows:

SECTION 1. Recitals. The facts and statements contained in the preamble to this Ordinance are found to be true and correct and are hereby adopted as part of this Ordinance.

SECTION 2. Adoption of Tax. Chapter ___ of the Municipal Code of the City/Village of ____________ shall be amended by the addition of [Article/Chapter] ____ that will read as follows:


1. Tax imposed; Rate.
   (a) A tax is hereby imposed upon all persons engaged in the business of selling cannabis, other than cannabis purchased under the Compassionate Use of Medical Cannabis Pilot Program Act, at retail in the City/Village at the rate of 3% of the gross receipts from these sales made in the course of that business.

   (b) The imposition of this tax is in accordance with the provisions of Sections 8-11-22, of the Illinois Municipal Code (65 ILCS 5/8-11-22).

2. Collection of tax by retailers.
(a) The tax imposed by this Ordinance shall be remitted by such retailer to the Illinois Department of Revenue (Department). Any tax required to be collected pursuant to or as authorized by this Ordinance and any such tax collected by such retailer and required to be remitted to the Department shall constitute a debt owed by the retailer to the State. Retailers may reimburse themselves for their seller's tax liability hereunder by separately stating that tax as an additional charge, which charge may be stated in combination, in a single amount, with any State tax that sellers are required to collect.

(b) The taxes hereby imposed, and all civil penalties that may be assessed as an incident thereto, shall be collected and enforced by the Department. The Department shall have full power to administer and enforce the provisions of this article.

3. Severability. If any provision of this Ordinance, or the application of any provision of this Ordinance, is held unconstitutional or otherwise invalid, such occurrence shall not affect other provisions of this Ordinance, or their application, that can be given effect without the unconstitutional or invalid provision or its application. Each unconstitutional or invalid provision, or application of such provision, is severable, unless otherwise provided by this Ordinance.

4. Effective Date. This Ordinance shall be in full force and effect from and after its passage and approval and publication as required by law, provided, however, that the tax provided for herein shall take effect for all sales on or after the first day of January, 2020. Copies of this Ordinance shall be certified and sent to the Illinois Department of Revenue prior to September 30, 2019.

[NOTE: Any new ordinance or amendment to an existing ordinance can take effect only on September 1. To be effective September 1, an ordinance must be adopted and filed with the Department of Revenue by June 1.]

ADOPTED THIS ______ day of __________________, 20__.
AYES:
NAYS:
ABSTENTIONS:
ABSENT:

APPROVED THIS ______ day of __________________, 20__.

__________________________
Mayor/Village President

ATTEST:

__________________________
City/Village Clerk
Disclaimers & Referrals
IML has assembled these resources for your municipality’s consideration. It is strongly recommended that you consult with your municipal attorney or other qualified counsel prior to considering or adopting any of the model ordinances. The model ordinances are being provided as a reference for use in drafting an ordinance for your community. The model ordinances may require adaptation and modification to conform to your community’s determinations and specific code provisions.

It is further recommended that local law enforcement officials discuss the mandated expungements with your municipality’s retained attorney or other qualified counsel, as well as the state’s attorney’s office in your county to gain a full understanding of the issue and process and to be in compliance with what may be complicated expungement provisions. IML shall not provide direction or counsel on this aspect of the new law, due to the myriad factors that could impact each municipality differently.

**State Agency Contacts**

Illinois Department of Agriculture

Website: [https://www2.illinois.gov/sites/agr/Pages/default.aspx](https://www2.illinois.gov/sites/agr/Pages/default.aspx)

Phone: (217) 785-4789

Illinois Department of Financial and Professional Regulation

Website: [https://www.idfpr.com/profs/adultusecan.asp](https://www.idfpr.com/profs/adultusecan.asp)

Phone: (888) 473-4858

Email: FPR.AdultUseCannabis@illinois.gov

Illinois Department of Public Health

Website: [www.dph.illinois.gov](http://www.dph.illinois.gov)

Phone: (217) 782-4977

These contacts are likely to be expanded and updated as additional agency resources are made available.
SA #2 deletes everything and becomes the bill. The amendment creates the Cannabis Regulation and Tax Act, which legalizes cannabis for adult use.

As amended, HB 1438 allows for any person over the age of 21 to possess cannabis in Illinois.

Residents of Illinois are allowed to possess any combination of the following:

1) 30 grams of raw cannabis.
2) Cannabis-infused product or products containing a total of no more than 500 mg of THC.
3) 5 grams of cannabis product in concentrated form.

Non-residents of Illinois are allowed to possess any combination of the following:

1) 15 grams of raw cannabis.
2) 250 milligrams of THC contained in a cannabis-infused product.
3) 2.5 grams of cannabis concentrate.

HB 1438 allows medical cannabis patients to grow 5 cannabis plants, no taller than 5 inches on their residential property in a closed and locked space away from public view that is also reasonably inaccessible by a person under 21 years of age. The bill allows medical cannabis patients to purchase cannabis seeds from a dispensary but not any live cannabis plant material.

HB 1438 allows units of local government to enact reasonable zoning ordinances that govern the time, place, manner and number of cannabis establishment operations, or an ordinance that ‘opts out’ the unit of local government from the cannabis industry all together. A unit of local government may enact ordinances to allow for public consumption. The bill also provides for a process by which precincts in cities over 500,000 to enact ordinances by petition to limit home grow or cannabis business establishments.

HB 1438 prohibits the consumption of cannabis by a person under 21 years of age and prohibits the
consumption of cannabis in a public place. SB 7 allows employers to prohibit the use or possession of cannabis at the work place. The bill also allows employers to enact zero tolerance policies and policies on drug testing. No person or establishment is required to allow a guest, client, lessee, customer or visitor to use cannabis on their property.

HB 1438 provides for an automatic expungement process for arrests, without further disposition, for minor cannabis offenses (under 30 grams). The bill also creates a pardon authorizing expungement process, by which the Illinois State Police will gather records of eligible minor cannabis offenses and provide them to the Prisoner Review Board. The Board will review the records and allow State’s Attorneys to object solely on the basis of eligibility of the felony cannabis offense. The Board will then make confidential recommendations to the Governor, who will issue pardons with expungement. After pardons are issued, the Prisoner Review Board, through the Attorney General, will file petitions for expungement on behalf of the individuals granted pardons. Objections will not be allowed and the courts shall grant the expungements. The bill also creates a process for individuals who committed Class 4 felony and Class A misdemeanor cannabis offenses to individually, through a State’s Attorney, or through legal aid, petition for a motion to vacate and expunge the offense. Individuals with pending cases will also be able to petition to vacate and expunge.

HB 1438 creates an infuser license, which allows the business to infuse products with cannabis or cannabis concentrate. An infuser is prohibited from extracting cannabis concentrate from raw cannabis material. Only cultivation centers and craft growers will be allowed to extract cannabis concentrate.

HB 1438 creates the following Adult Use Cannabis License subject to various fees and shall be administered by the Department of Agriculture (DOA) and the Department of Financial and Professional Regulation (IDFPR):

- Early Approval Adult Use Dispensing Origination (IDFPR)
- Early Approval Adult Use Cultivator Organization (DOA)
- Conditional Adult use Licenses (IDFPR)
- Adult Use Dispensing Organization (IDFPR)
- Adult Use Cultivation Organization (DOA)
- Craft Grow (DOA)
- Infuser (DOA)
- Transporter (DOA)

HB 1438 creates a Social Equity Program that will help to promote minority involvement in the cannabis industry. Social Equity participants will have access to grants and loans in order to deter some of the up-front costs of participating in the Adult Use Cannabis market. All Social Equity grants shall be Grant Accountability Transparency Act (GATA) compliant. Social Equity applicants will also receive at least 20% of all possible points in the licensing selection process. Social Equity applicants may have 50% of the non-refundable application (up to 2 applications) fees waived.

HB 1438 adds the following into the core point structure of the application: presence of an environmental plan; 51% veteran ownership, 51% ownership by an Illinois residence, and labor and employment practices.

HB 1438 renames the Restoring Our Communities Program (ROC) to the Recover, Reinvest, and Renew Program (R3). The R3 program is a performance incentive funding program for high-need, underserved communities throughout the State. The R3 program shall provide planning, implementation of grants as well as technical assistance to collaborative groups and civil legal aid to persons in the R3 areas. R3 program grants will go to disproportionately impacted areas as defined by SB 7.

HB 1438 commissions a disparity and availability study to identify discrimination in the cannabis industry. Upon conclusion of the study, the departments responsible for issuing licenses must take those conclusions into consideration for issuing further licenses. The issuing departments will be able to modify the application process to eliminate barriers and remedy evidence.
HB 1438 creates the Community College Vocational Pilot Program. The Department of Agriculture in coordination with the Community College board shall award 8 licenses in the State. The licenses will be subject to geographical regions so that there is adequate programs throughout the State. The courses shall allow participating students to work with, study, and grow live cannabis plants to prepare students for a career in the legal cannabis industry. The Community College must grow and store all cannabis in a closed and locked facility. Students may not enter the facility without a faculty member who is the registered agent-in-charge. The Program will allow students of 18 years of age or older to participate.

HB 1438 levies taxes on cannabis as follows:

- A Cultivation Privilege Tax: 7%
- Cannabis Excise tax: between 10% and 25%
- Cannabis (just flower) at or below 35% THC: 10%
- All Cannabis infused products: 20%
- Any cannabis, other than cannabis infused products above 35% THC: 25%
- Municipal Purchaser Excise Tax: No more than 3%
- County Excise Tax: A county may add up to 0.75% on top of a municipal excise tax of 3%. A County may add up to 3.75% in unincorporated areas.
- State Sales Tax: 6.25%
- Total Taxes levied: 26.5% to 41.75%

HB 1438 allocates tax revenue in order as follows:

- 1/12 of the Fiscal Year amount for agency administrative needs
- Costs incurred from the expungement process
- After the above 2 have been paid the remaining amount will be broken out as follows:
  - 2% for education and safety campaigns
  - 8% for law enforcement funds for prevention and training to be distributed through the LGDF formula
  - 25% for the R3 programs
  - 20% for programs that address preventative substance abuse programs as well as mental health services
  - 10% for the bill backlog
  - 35% to the General Revenue Fund (GRF)

Nothing in HB 1438 shall be construed to limit any privileges or rights of a medical cannabis patient, primary caregiver, medical cannabis cultivation center or medical cannabis dispensing organization under the Compassionate Use of Medical Cannabis Pilot Program Act.

Detailed Summary as Amended

The Cannabis Regulation and Tax Act provides for the legalization of cannabis in the State of Illinois and implements the framework of regulating, licensing and taxing cannabis. The major aspects are summarized into the following categories:

- Legalization
- Business
- Criminal
- Government
- Licensing and Regulation
- Equity
- Marketing and Packaging
- Revenue and Appropriations
• Recover, Renew, Reinvest (R3) Program

Legalization

Personal Use
• Beginning January 1, 2020, the purchasing, obtaining, possessing, consuming, using, or transporting of a legal amount of cannabis shall not be a criminal or civil offense under State law or local government ordinance, or be a basis for seizure or forfeiture of assets:
• A purchaser would need to provide a government issued identification to verify the purchaser’s age.

Possession
Residents of Illinois are allowed to possess any combination of the following:
1 ) 30 grams of raw cannabis.
2 ) Cannabis-infused product or products containing a total of no more than 500 mg of THC.
3 ) 5 grams of cannabis product in concentrated form.

Non-residents of Illinois are allowed to possess any combination of the following:
1 ) 15 grams of raw cannabis.
2 ) 250 milligrams of THC contained in a cannabis-infused product.
3 ) 2.5 grams of cannabis concentrate.

Home Grow
• Cultivation in a private residence is subject to the following limitations:
  o Only registered medical cannabis patients may participate in home cultivation.
  o Cannabis plants may not be cultivated in an area subject to public view, must include reasonable precautions to ensure that the plants are secure from unauthorized access or access by a person under 21 years of age.
  o Cannabis cultivation must occur in an enclosed locked space.
  o Cannabis cultivation may only occur on residential property lawfully in possession of the medical cannabis patient or with the consent of the person in lawful possession of the property. The medical cannabis patient may allow their authorized agent to tend to the plants for brief periods of time if the resident is temporarily away.
• A medical cannabis patient may only purchase cannabis seed from a dispensary. They are prohibited from purchasing live plant material. If the home grow plants yield more than the allowable possession limit of 30 grams of raw cannabis, then the excess cannabis must remain secured within the residence or residential property in which it was grown.

Business

Employment
• Nothing shall prohibit an employer from:
  o Adopting zero tolerance or drug free workplace policies or other policies concerning drug testing, smoking, consumption, storage, or use of cannabis in the workplace or while on call provided the policy is applied in a nondiscriminatory manner;
  o Disciplining an employee for violating a workplace drug policy. If the employer elects to discipline the employee, the employer must give the employee reasonable opportunity to contest the determination.
  o Disciplining an employee for failing a drug test if failing would put the employer in violation of federal law or cause it to lose a federal contract or funding.
An employer may consider an employee to be impaired or under the influence of cannabis if the employer has a good faith belief that the employee manifests specific, articulable symptoms while working that decrease or lessen the employee's performance of the duties or tasks.

Financial Institutions

HB 1438 adds the language from SB 2023 (Hutchinson-Gordon-Booth) that prohibits the Secretary of the Department of Financial and Professional Regulation from taking adverse action against a bank or credit union that does business with a person or entity that has cannabis-related legitimate business.

Criminal

Expungement of Criminal History for Minor Violations

Automatic Expungement

- Minor Cannabis Offense
  - A minor cannabis offense is defined as a violation on Sections 4 or 5 of the Cannabis Control Act, concerning not more than 30 grams of cannabis, provided the offense is not associated with a violent crime, as defined in the Rights of Crime Victims and Witnesses Act.
  - The Department of State Police and all local law enforcement agencies must automatically expunge records pertaining to arrests, orders of supervision, or orders of qualified probation for minor cannabis offenses if:
    - One year or more has elapsed since the date of the arrest or law enforcement interaction documented in the records; and
    - No criminal charges were filed relating to the arrest or interaction or the charges were filed and subsequently dismissed or vacated or the arrestee was acquitted.

- Schedule of automatic expungements
  - Records created between prior to the effective date of this bill and January 1, 2013 must be automatically expunged before January 1, 2021;
  - Records created between January 1, 2000 and January 1, 2013 must be automatically expunged before January 1, 2023; and
  - Records created prior to January 1, 2000 must be automatically expunged before January 1, 2025.

Pardon Authorizing Expungement

- The State Police must review all criminal history record information and identify records that meet the following criteria:
  - One or more convictions of minor cannabis offense;
  - The conviction(s) identified did not include a penalty enhancement; and
  - The conviction is not associated with an arrest, conviction or other disposition for a violent crime.
- Within 180 days after the effective date of this bill, the State Police must notify the Prisoner Review Board of all eligible records.
  - The Prisoner Review Board will notify State's Attorneys of each record identified as a Class 4 felony. State's Attorneys have 60 days to provide a written objection on the sole basis that the record does not meet the required criteria.
  - The Prisoner Review Board may conduct non-public hearings to evaluate the objections.
  - The Prisoner Review Board will make confidential and privileged recommendations to the Governor as to whether to grant a pardon authorizing expungement.
- After pardons are issued, the Prisoner Review Board, through the Attorney General, will file petitions for expungement on behalf of the individuals granted pardons. The petition may be filed with the Chief Judge of a circuit or with any judge of the circuit designated by the Chief Judge. Multiple individuals may be filed
on one petition and objections will not be allowed.

- Within 90 days, the court shall enter an order expunging the records and order that court and law enforcement records be expunged.
- Upon entry of the order to expunge or seal records, the court must provide copies of the order to the Department of State Police, the arresting agency or other criminal justice agency determined by the court.

**Petition Process**

Any individual with a conviction for a misdemeanor or Class 4 felony violation of Section 4 or Section 5 of the Cannabis Control Act may file a motion to vacate and expunge the conviction. The motion may be filed individually, through a legal aid agency, or by the State's Attorney of a county. The motion to vacate and expunge may be filed with the circuit court, the Chief Judge of a judicial circuit, or with any judge designated by the Chief Judge. Multiple individuals are allowed to be on one petition. Objections may be filed within 60 days, along with any supporting evidence. The court must consider the following factors in deciding on a motion to vacate and expunge:

- The individual's age, age at time of conviction, time since the conviction, and the specific adverse consequences if denied.

An individual may petition after the completion of any sentence imposed by the conviction.

If the motion to vacate and expunge is granted, the court and law enforcement records shall be expunged.

A person who was arrested for a minor cannabis offense before the effective date of this bill, but who has not yet been sentenced, may petition for expungement through this process as well.

**Other Expungement Information**

A person imprisoned solely for one or more minor cannabis offenses shall be released from incarceration upon issuance of an order under any of these methods.

Upon entry of an order of expungement through any method, the court shall attempt to provide a copy of the order to the individual whose record has been expunged to the last known address of that individual.

The State Police must allow the individual to use the access and review process to verify that the records have been expunged.

**Underage Possession and False Identification**

- A person who is under 21 years of age may not possess cannabis.
- A person who is under 21 years of age with cannabis in his or her possession shall be guilty of a civil penalty. If the offense occurred in a vehicle, the person under 21 may have his or her driver's license suspended.
- A person who is under 21 years of age may not present or offer to a cannabis establishment or the cannabis establishment's principal or employee any written or oral evidence of age that is false, fraudulent or not actually the person's own, for the purpose of: (1) purchasing, attempting to purchase or otherwise obtaining or attempting to obtain cannabis or any cannabis product; or (2) gaining access to a cannabis establishment.
  - A violation is a Class A misdemeanor consistent with the Liquor Control Act of 1934. Additionally, as with under current law, Secretary of State may suspend or revoke the driving privileges of any person for a violation of false identification.

**Driving Under the Influence of Cannabis**

- Provides that any person who drives a car consents to roadside chemical tests, once court validated, or
standardized field sobriety tests.
- Refusal to submit to testing will result in a 12-month suspension of driving privileges and failing testing will result in a 6-month suspension.
- The current process for contesting a DUI suspension will apply.
- Creates the 11-member DUI Cannabis Task Force to examine best practices in the area of driving under the influence of cannabis enforcement, including examining emerging technology in roadside testing.

**Government**

**Conflict of Interest**
There is a 2-year revolving door prohibition on the following individuals applying for, holding, or owning financial or voting interest in any cannabis business license:

- members of the General Assembly or his or her spouse or immediate family; and
- a State employee at an agency that regulates cannabis business establishment license holders who participated personally and substantially in the award of the license.

A person who violates this Section is guilty under the State Officials and Employees Ethics Act.

**FOIA/Disclosure**

Information provided by applicants or cannabis business establishments to the issuing department are confidential and exempt from FOIA.

The following information is subject to FOIA:

- The name and address of a dispensary;
- The name and establishment address of the person or entity holding each cannabis business license;
- Formal complaints filed against a licensee or disciplinary orders from the issuing Department;
- Complaints from consumers regarding a specific licensee; and
- Complaints regarding conduct by unlicensed entities.

**Local Control**

- A unit of local government may enact ordinances to prohibit cannabis businesses from operating inside their jurisdiction.
- A unit of local government may enact zoning ordinances to allow for public consumption that do not conflict with this bill. Any location permitted for consumption by a unit of local government shall not be considered a 'public place' as defined by the Act.
- A unit of local government may enact ordinances or rules governing the time, place, manner and number of cannabis establishment operations, including a minimum distance limitation between cannabis establishments and locations it deems sensitive.
  - However, a dispensing organization may not be located within 1,500 feet from another dispensing organization, or in a house, apartment, condominium or an area zoned exclusively for residential use.
- A unit of local government may establish civil penalties for violation of an ordinance or rules governing the time, place and manner of operation of a cannabis establishment in the jurisdiction of the unit of local government.
With the exception of restricted cannabis zones, no unit of local government, including a home rule unit, or school district may prohibit home cultivation and use of cannabis.

The bill outlines a process by which precincts in cities over 500,000 to enact ordinances by petition to limit home grow or cannabis business establishments.

Licensing and Regulation

HB 1438 clarifies the timeline in which cannabis business establishment licenses will be issued.

All cannabis business licenses shall be required to submit an employee, contracting, and subcontracting diversity report, and an environmental impact report as part of their renewal application.

Only cultivation centers and craft growers will be allowed to extract cannabis concentrate from raw cannabis.

Scoring of Applications

HB 1438 changes the point structure for all cannabis business establishment applications as follows:

1. Environmental plans, status as a veteran, and the Illinois residency status of the applicant. Each of these categories are part of the core points and will receive a score of 5 points if the requirements have been met.

2. Increase Social Equity Applicant status from 25 points to 50 points. Also, increases the amount of points that a Social Equity Applicant must receive on all other applications from 12.5% to 20%.

3. Adds that a community benefits plan will be the bonus or tie breaker point category that decides which applicant will receive the license. A community benefits plan is a detailed plan on how the cannabis business will have a positive impact on the community. If the applicant is awarded a license and the applicant has indicated a community benefits plan then they must honor and pursue that plan.

Early Approval Dispensing Organization

Beginning 60 days after the effective date of HB 1438, current medical dispensary license holder may begin applying for an Early Approval license. The Early Approval Adult Use Dispensing Organization license shall be operated at the same location as the current medical dispensary.

An early Approval Adult Use Dispensing Organization must pay $100,000 into the Cannabis Business Development Fund for the purposes of low interest loans and grants to social equity applicants.

An Early Approval Adult Use License must also identify and complete one of the following Social equity Inclusion plans:

1. Make a contribution of 3% of total sales from July 1, 2018 to July 1, 2019 or $100,000, whichever is less, to be deposited into the Cannabis Business Development Fund. This is an addition to the required fee above.

2. Make a grant of 3% of total sales from July 1, 2018 to July 1, 2019 or $100,000, whichever is less, to a cannabis industry training or education program at a Community College.

3. Make a donation of $100,000 or more to a program that provides job training services to persons recently incarcerated or that operate in a disproportionately impacted area.

4. Participate as a host in a cannabis business incubator program approved by the Department of
Commerce and Economic Development and provide a loan of at least $100,000 to a social equity applicant. The host may not take more than 10% ownership in an incubator company.

5. Participate in sponsorship program approved by the Department of Commerce and Economic Development in which the Early Approval Adult Use Dispensing Organization provides an interest fee loan of $200,000.

An Early Approval Adult Use Dispensing Organization must complete one of the Social Equity Inclusion plans before it may renew its license.

**Early Approval Dispensing Organization at a Secondary Site**

Beginning 60 days after the effective date, a medical dispensary license holder may apply for an Early Approval Adult Use Dispensing License at a secondary site. The Early Approval Adult Use Dispensing Organization License at a secondary site shall be located within a BLS region that touches their medical dispensary district. If they cannot move into any of the BLS regions that touch their medical region they must be approved by IDFPR before they can locate in another BLS region.

An Early Approval Adult Use Dispensing Organization License at a secondary site shall pay a fee of $200,000 into the Cannabis Business Development Fund for the purposes of providing low interest loans and grants.

An Early Approval Adult Use License at a secondary site must identify and complete one of the following Social Equity Inclusion plans:

- Make a contribution of 3% of total sales from July 1, 2018 to July 1, 2019 or $100,000, whichever is less, to be deposited into the Cannabis Business Development Fund. This is an addition to the required fee above.
- Make a grant of 3% of total sales from July 1, 2018 to July 1, 2019 or $100,000, whichever is less, to a cannabis industry training or education program at a Community College.
- Make a donation of $100,000 or more to a program that provides job training services to persons recently incarcerated or that operate in a disproportionately impacted area.
- Participate as a host in a Cannabis Business Incubator Program approved by the Department of Commerce and Economic Development and provide a loan of at least $100,000 to a social equity applicant. The host may not take more than 10% ownership in an incubator company.
- Participate in sponsorship program approved by the Department of Commerce and Economic Development in which the Early Approval Adult Use Dispensing Organization provides an interest fee loan of $200,000.

An Early Approval Adult Use Dispensing Organization License at a secondary site must complete one of the Social Equity Inclusion plans before it may renew its license.

**Conditional Adult Use Dispensing Organization License**

By May 1, 2020, the Department of Financial and Professional Regulation shall award up to 75 Conditional Adult Use Dispensing Organization Licenses.

After January 1, 2021 the Department of Financial and Professional Regulation may award up to 110 additional Conditional Adult Use Dispensing Organization Licenses based on a demand study and disparity study.

After January 1, 2021, the Department of Financial and Professional Regulation may award additional Conditional Adult Use Dispensing Organization Licenses based on a demand study and disparity study. At no time may the Department of Financial and Professional Regulation award more than 500 Conditional Adult Use Dispensing Organization Licenses.
An application for a Conditional Adult Use Dispensing Organization License must contain:

- A nonrefundable fee as determined by rule by the department of Agriculture
- A plan of action to inform, hire and educate minorities, women, veterans, and persons with disabilities
- An environmental plan that will address water consumption, energy efficiency, waste management and a recycling plan.
- A diversity plan that details its goals for diversity in ownership, management, employment and contracting
- Various other information that pertains to the business
- In the event of a tie the Conditional Adult Use Dispensing Organization shall be scored based on their community benefits plan which shall detail how the dispensary plans to have a positive impact on the community it is located in.

A Conditional Adult Use Dispensing Organization applicant must pay a $5,000 nonrefundable fee.

The Conditional Adult Use Dispensing Organization application will be awarded by a competitive scoring process. The applicant's status as a Social Equity applicant shall consist of no less than 20% of total available points.

A Conditional Adult Use Dispensing Organization that is awarded a license may not begin selling cannabis or cannabis-infused products until the Department of Financial and Professional Regulation has inspected the site of the dispensary, and the dispensary has met all of the requirements in HB 1438 or any other requirements set by rule by the Department of Financial and Professional Regulation.

**Adult Use Dispensing Organization License**

Any Conditional Adult Use Dispensing Organization that is awarded an Adult Use Dispensing Organization License must complete and honor any agreements or plans detailed in their Conditional Adult Use Dispensing Organization Application. In the event that an Adult Use Dispensing Organization sells its license the agreements and plans detailed in the application must be completed by the new license holder.

Upon being awarded an Adult Use Dispensing Organization License the license holder must pay a pro-rated fee of $60,000.

Once the Department of Financial and Professional Regulation has completed its inspection and found that the Adult Use Dispensing Organization is in compliance with HB 1438 and any rules adopted by the Department, the Adult Use Dispensing Organization may begin dispensing cannabis and cannabis-infused products to purchasers.

**Early Approval Adult Use Cultivation License**

HB 1438 increase the required amount that an Early Approval Cultivation Center Application must contribute to the Cannabis Business Development from $500,000 to $750,00 or 5% of total gross sales receipts, whichever is less, but not less than $250,000.

Early Approval Cultivation Centers must obtain a transporter license after July 1, 2020 in order to continue transporting cannabis.

An Early Approval Cultivation Center must complete its defined Social Equity Inclusion plan before it can renew its licenses.

The Social Equity Inclusion plans are as follows:
1. Contribute 5% of gross sales receipts from July 1, 2018 to July 1, 2019 or $100,000, whichever is less to one of the following:
   · Deposit in the Cannabis Business Development Fund. In addition to the above requirement.
   · Make a grant to a cannabis industry training or education program at a Community College.
   · Make a donation that provides job training services to persons recently incarcerated or that operate in a disproportionately impacted area.

2. Participate as a host in a cannabis business incubator program approved by the Department of Commerce and Economic Development and provide a loan of at least $100,000 to a social equity applicant. The host may not take more than 10% ownership in an incubator company.

Conditional Adult Use Cultivation Center License

An application for a Conditional Adult Use Cultivation Center license must contain:
   o A nonrefundable fee as determined by rule by the department of Agriculture
   o A plan of action to inform, hire and educate minorities, women, veterans, and persons with disabilities
   o An environmental plan that will address water consumption, energy efficiency, waste management and a recycling plan.
   o A diversity plan that details its goals for diversity in ownership, management, employment and contracting
   o Various other information that pertains to the business

The Conditional Adult Use Cultivation Center application shall be awarded by a competitive scoring process. The applicant’s status as a Social Equity Applicant shall consist of no less than 20% of total available points.

A Conditional Adult Use Cultivation Center may not begin cultivating cannabis until the Department has inspected the facility and determined that it complies with all requirements in HB 1438 or any further requirements set by rule, and paid a $100,000 licensure fee. After the Department of Agriculture determines that the Conditional Adult Use Dispensing Organization has met all of the requirements, the Department shall award an Adult Use Cultivation Center licenses and the cultivation center may begin cultivating cannabis.

Adult Use Cultivation Center

HB 1438 sets a limit on canopy space at a cultivation center at 210,000 square feet.

On or after July 1, 2021, the Department of Agriculture may increase the number of cultivation center licenses which shall not exceed 30.

An Adult Use Cultivation Center may extract cannabis concentrate, cultivate cannabis and infuse cannabis or cannabis concentrate into cannabis-infused products. After July 1, 2020 cultivation centers are prohibited from transporting cannabis unless they obtain a transporter license.

Adult Use Cultivation Center licenses shall be renewed annually. A cultivation center license must pay a renewal fee of $100,000, submit an employee, contracting and subcontracting diversity report and an environmental impact report with its renewal application.

Craft Grower License
By July 1, 2020, the Department of Agriculture shall issue up to 40 craft grow licenses. License awarded during this time may not be sold and a person or entity may only hold 1 craft grower license.

By December 21, 2021, the Department of Agriculture shall issue up to 60 additional craft grower licenses. At this time a person or entity may hold 2 craft grow licenses and may sell either of the 2 licenses that they may hold. License awarded during this time shall be subject to a demand study and disparity study.

By January 1, 2022, the Department of agriculture may award any additional craft grower license and a person or entity may hold 3 craft grower license and sell any craft grow license that they hold.

A craft grow may contain 5,000 square feet of canopy space. The Department of Agriculture may increase the limit to 14,000 square feet in 3,000 square foot increments.

A craft grower may process cannabis into cannabis concentrate, cultivate cannabis and infuse products with cannabis, or cannabis concentrate in order to make cannabis-infused products.

A craft grower may be located at the same location as a dispensary, or infuser or both.

Craft Grower Application
The non-refundable application fee for a craft grower shall be $5,000 or another amount set by the Department of Agriculture. If the applicant is awarded a license the person or entity shall pay a pro-rated amount of $40,000.

The craft grower application shall be awarded by a competitive scoring process. The applicant's status as a Social Equity Applicant shall consist of no less than 20% of total available points.

The renewal fee for a craft grower license shall be $40,000.

Restrictions
A craft grower agent shall not transport cannabis product to a cannabis business without a transport license unless a craft grower organization is within a certain proximity to a cannabis business establishment subject to population size.

Infuser License
HB 1438 creates the Infuser License in place of the processor license from FA #1 to SB 7. An infuser will only be allowed to infuse cannabis and cannabis concentrate into other products to yield cannabis-infused products.

The Department of Agriculture shall issue up to 40 infuser licenses no later than July 1, 2020.

By December 21, 2021, the Department of Agriculture may issue up to 60 additional licenses. The Department shall consult the disparity study before issuing licenses.

After January 1, 2022, the Department of Agriculture may increase the number of licenses by rule.

The non-refundable fee for an infuser application shall be $5,000 or another amount set by the Department of Agriculture. The infuser organization shall pay a pro-rated amount of $10,000 upon being awarded a license.

The infuser license shall be awarded by a competitive scoring process. The applicant's status as a Social Equity Applicant shall consist of no less than 20% of total available points.

An infuser may share the premises with a craft grower or dispensary or both.

An infuser license renewal fee is $20,000. This fee may be adjusted by rule by the Department of Agriculture.

The Department of Agriculture shall conduct a demand study on the cannabis concentrate industry. If there is an inadequate supply of cannabis concentrate to the infuser market then the Department of Agriculture may begin issuing processing licenses to infuser organizations. The demand study on the cannabis concentrate
market does not begin until January 1, 2022.

At no time may an infuser process cannabis unless the Department deems it necessary that infusers begin processing cannabis due to an inadequate supply of cannabis concentrate in the market.

Restrictions

An infuser shall not transport cannabis product to a cannabis business without a transport license unless a infuser organization is within a certain proximity to a cannabis business establishment subject to population size.

Transporter License

The Department of Agriculture shall make transporter applications available on January 7, 2020. Applications shall be due on March 15, 2020. There is no cap on transporter licenses.

The non-refundable application fee for a Transporter application shall be $5,000 or another amount set by the Department of Agriculture. If the transporter is awarded a license they shall pay a pro-rated amount of $10,000.

The Transporter license shall be awarded by a competitive scoring process. The applicant's status as a Social Equity Applicant shall consist of no less than 20% of total available points.

A transporter license renewal fee is $10,000. This fee may be adjusted by the Department of Agriculture.

Restrictions

No person under 21 years of age shall be in the vehicle transporting cannabis.

Transporters may not use a vehicle with a weight of over 10,001 pounds.

A copy of the transporter's registration and manifest for delivery shall be present in the vehicle.

Cannabis shall not be visible from outside the vehicle.

The transporting vehicle may not contain any markings indicating that it is transporting cannabis.

The driver shall have an agent identification card.

Revenues and Appropriations

Cannabis Cultivation Privilege Tax Imposed

- HB 1438 maintains the privilege tax, currently assessed on medical cannabis, of cultivating cannabis at the rate of 7% for adult use. This taxed is levied when a cannabis cultivator provides cannabis products to a dispensary or another licensed cannabis business establishment.

Cannabis Purchaser Excise Tax Law (Point of Sale)

- Beginning on January 1, 2020, cannabis purchaser excise tax will be levied as follows:
  - Cannabis flower at or below 35% THC will be taxed at: 10%
  - All Cannabis infused products will be taxed at: 20%
  - Any cannabis, other than cannabis infused products, above 35% THC: 25%

State Sales Tax

- The purchase of cannabis is also subject to the State sales tax of 6.25%.

Unit of Local Government Cannabis Purchaser Excise Tax Law
• A municipality may impose a purchase excise tax that shall not exceed 3% of the purchase price. All revenue received from this tax shall be deposited into the Local Cannabis Consumer Excise Tax Trust Fund. The Department of Revenue shall redistribute the appropriate amount back to the municipality that imposed the tax.

• A county may impose a purchase excise tax in the unincorporated areas of the county, which shall not exceed 3.75% of the purchase price. HB 1438 allows any county to add 0.75% tax on top of any municipal tax of 3%. HB 1438 allows home rule counties to add a 3% tax to any municipalities purchase excise tax. The Department of Revenue shall redistribute the appropriate amount back to the county that imposed the tax.

The Cannabis Regulation Fund

• The Cannabis Regulation Fund is created in the State treasury. Unless otherwise provided, all moneys collected under the Cannabis Regulation and Tax Act shall be deposited into the Cannabis Regulation Fund, consisting of taxes, license fees, other fees and any other amounts required to be deposited or transferred into the Fund.

• Monthly, the transfers of revenues received shall be certified as follows:
  1) The administrative costs amounts incurred by the numerous agencies involved with the program;
  2) Second, after the other transfers have been made, the comptroller shall transfer funds into the Cannabis Expungement Fund for any costs incurred by state courts, Attorney General, states attorneys, civil legal aid organizations and the Illinois State Police for costs to facilitate the expungement petition process.
  3) Third, after the transfers have been made:
     • 4) 2% shall be transferred to the Department of Human Services for education and safety campaigns
     • 5) 8% shall be transferred to local law enforcement through the LGDF in order to provide a fair amount for every municipality in the State.
     • 6) 25% shall be transferred to the Illinois Criminal Justice Information Authority for the purpose of the R3 program to address economic development, violence prevention services, re-entry services, youth development and civil legal aid.
     • 7) 20% shall be transferred to the Department of Human services for the purposes of substance abuse prevention programs and mental health services.
     • 8) 10% to pay down the bill backlog
     • 9) 35% or the remaining amount to the General Revenue Fund (GRF)

• In Fiscal Year 2024, the General Assembly may review and adjust the funding allocation if it finds that there is a greater need for funding for specific purposes in the State.

The Cannabis Expungement Fund

• HB 1438 creates the Cannabis Expungement Fund for the purposes of covering the costs associated with expungement.

• The Cannabis Expungement Fund will cover the cost for the Illinois State Police to find all of the records that are eligible for expungement.

• The Cannabis Expungement Fund will also cover the costs incurred by civil legal aid organizations, States Attorney’s, States Courts, and the Office of the Attorney General to facilitate petitions for expungement of minor cannabis offenses.

Community College Cannabis Vocational Pilot Program

• HB 1438 creates the Community College Cannabis Vocational Pilot Program. The Department of
Agriculture in coordination with the Community College Board shall select 8 community colleges across the State.

- The Selection of the 8 community colleges shall be subject to the following:
  - Geographic Diversity
  - Experience and credentials of the applicant's faculty
  - At least 5 program license awardees must have a student population that is more than 50% low-income in each of the past 4 years
  - Security Plan, including a requirement that all cannabis plants be in an enclosed locked facility
  - Curriculum plan, including processing testing curriculum
  - Any other criteria the Department of Agriculture may set by rule.

- The Cannabis Vocational Pilot Program allows students who are of 18 years of age or older to participate in the program. The students may not be in the enclosed locked facility where the cannabis is stored without a registered agent-in-charge faculty member present.

- The students who complete the program shall receive a Career in Cannabis Certificate. The curriculum shall include but is not limited to, courses that allow participating students to work with, study, and grow live cannabis plants in order to prepare students for a career in the legal cannabis industry.

- A community college that is awarded a license may grow up to 50 live cannabis plants.

- Only the agent-in-charge faculty member will have access to open the facility in which the cannabis is located.

- The Cannabis Vocational Pilot Program shall begin in the 2021-2022 academic school year. The program sunsets on July 1, 2026.

### Recover, Reinvest, and Renew Program (R3)

#### Overview

- The Recover, Reinvest, and Renew (R3) program is created as a performance incentive funding program for high-need, underserved communities throughout the State. The R3 program shall substantially reduce both concentrated poverty and gun violence.

- The purpose of the R3 program is to directly address the impact of economic disinvestment and the historical overuse of criminal justice responses to community and individual needs by supporting local design and control of community-based responses to these impacts that can be accessed outside of the criminal justice system.

- The R3 Program Board shall provide planning and implementation grants as well as technical assistance to collaborative groups that include human service providers and community-based organizations, individuals who have experienced the criminal justice system or other systems of State intervention, individuals who have been consumers of social programs administered by the State or local jurisdictions and local leaders from all sectors.

- The R3 Program Board shall be responsible for the selection and oversight of local R3 grant program sites. The R3 Program Board ex officio members shall, within 6 months after the effective date, convene an oversight board to appoint a full R3 Program Board and oversee, provide guidance to and develop an administrative structure for the R3 program.

- R3 grants shall be recommended by the R3 Program board and paid out by the Illinois Criminal Justice. The R3 grants shall be Grant Accountability and Transparency Act (GATA) compliant.

#### R3 Areas

- Within 180 days after the effective date, the Illinois Criminal Justice Authority shall identify eligible R3 Areas in the State to be designated by the R3 board. The Qualification as a R3 Area shall be determined as follows:
  - Based on an analysis of data, communities in this State that are high need, underserved,
disproportionately impacted by historical economic disinvestment, and ravaged by violence as indicated by the highest rates of gun injury, unemployment, child poverty rates and commitments to and returns from the Illinois Department of Corrections.

- ICIJA and the Legislative Audit Commission shall recalculate the R3 Areas eligibility every 4 years.

**Background**

1) HB 1438 is an initiative of the sponsor and is identical to HB 2488 (Cunningham) as passed by the House.

2) Life care contracts are often used for continuing care retirement communities. They are defined in the Life Care Facilities Act as a contract to provide to a person nursing services, medical services, or personal care services for over a year, or for the duration of a person's life.

3) Currently, about 90 facilities or campus communities in Illinois hold one or more permits to offer and to enter into Life Care Contracts issued by DPH. In all, these facilities and campus communities encompass more than 23,000 living units that can be occupied under life care contracts. Most Illinois life care facilities and campus communities are located within the greater Chicago metropolitan area.

4) At the national level, the Senate Special Committee on Aging has investigated consumer protection issues related to life care contracts for continuing care retirement communities. The Committee identified the following major concerns:

- Unstable financial conditions that can lead to cash flow problems or bankruptcy for CCRCs.
- A provider's inability or refusal to refund entrance fees to residents who leave.
- Failure to provide clear information about the provider's financial strength to prospective residents.
- Questionable policies governing transition to a higher level of care and the resulting fee increases.

**Senate Floor Amendment #1 (Cunningham, B.): Pending**

SFA #1 to HB 1438 deletes all and becomes the bill. The amendment creates the Continuing Care Retirement Community Transparency Task Force and sets forth membership requirements for the Task Force. The amendment provides that the purpose of the Task Force is to research and collect information on transparency and consumer protection issues related to life care contracts.

**Executive Summary as Introduced**

HB 1438, as amended, creates the Continuing Care Retirement Community Transparency Task Force and sets forth membership requirements for the Task Force. The bill provides that the purpose of the Task Force is to research and collect information on transparency and consumer protection issues related to life care contracts.

HB 1438 brings clarity the Pawnbroker Act by providing that when an investigation of pawned goods takes place after a hold order is issued and the investigation reveals the property is stolen, the property must be returned to the true owner if the investigation revealed the owner of the property.

In addition, HB 1438 provides that a hold order must contain specific information, including, but not limited to, a complete description of the property to be held including model number/serial number, and a signature by the pawnbroker of their representative.

**Effective Date:** None.
Illinois General Assembly Passes Recreational Marijuana Bill

Tuesday, June 04, 2019  Julie Tappendorf

The Illinois General Assembly was quite busy last week, passing legislation legalizing the recreational use of marijuana, expanding gambling, putting forth a ballot question on modifying the state income tax provisions of the Illinois constitution, passing a budget, among many other bills. It is expected that Governor Pritzker will sign these bills into law.

Although all of these will have an impact throughout the state, the legalized marijuana bill (HB 1438) may have the most impact on local governments. We had reported previously on an earlier draft of the recreational marijuana bill but the bill that passed both houses was substantively changed from that first bill.

The bill allows state residents over the age of 21 to possess up to 30 grams of cannabis beginning January 1, 2020. Personal cannabis use will be allowed in most private residences, but not in prohibited areas including any public place or in close physical proximity to underage persons. An earlier proposal allowed households to grow up to five cannabis plants, but this new law would limit home cultivation to medical cannabis patients.

So, how does the bill affect local governments?

Will your Community Allow Cannabis Businesses?
The bill allows local governments to ban or significantly limit cannabis businesses in their jurisdiction, including dispensaries, cultivation centers, craft growers, processing organizations, and transportation organizations. Unlike in earlier proposals, the new law would not impose a time limit or require a referendum to adopt these restrictions.

How will your Community Regulate any Allowed Cannabis Businesses?
The bill allows local governments to adopt (1) reasonable zoning ordinances that do not conflict with the Act; and (2) ordinances and rules governing the time, place, manner, and number of cannabis businesses consistent with the Act.
Will your Community Allow Cannabis Lounges?
The bill grants local governments broad authority to authorize and regulate privately-owned facilities where cannabis and cannabis products may be consumed on-site (i.e., “cannabis lounges”) similar to hookah lounges.

Will Your Community Tax Recreational Cannabis?
Both home rule and non-home rule municipalities can adopt ordinances to impose a local tax on the operation of a cannabis dispensary. The rate of tax cannot exceed 3% of the dispensary’s gross receipts from the sale of non-medical cannabis. If imposed, the tax may only be imposed in 0.25% increments. The tax will be collected and enforced by the Department of Revenue, which is entitled to retain 1.5% of the amount distributed to each municipality as an administrative fee.

How will your Community Engage in Crime Prevention?
In a change from prior proposals, the Cannabis Regulation Fund will now transfer 8% of the state tax revenue to the Local Government Distributive Fund (LGDF) to fund crime prevention programs, training, and interdiction efforts, including detection, enforcement, and prevention efforts, relating to the illegal cannabis market and driving under the influence of cannabis.

How will your Community Prosecute Cannabis Use and Possession?
While local ordinances cannot prohibit home cultivation for medical use or unreasonably prohibit personal cannabis use, local governments can regulate these activities consistent with the Act and should consider adopting ordinances enforceable through municipal prosecutions.

What Law Enforcement Records Should be Automatically Expunged?
In a significant change from prior proposals, expungements will now take place in three different processes: petitions (for Class 4 felonies), pardons from the Governor, and automatic expungements (for offenses of simple possession of no more than 30 grams, in certain circumstances). Many of the records will relate to municipal code violations, which will be required to be expunged according to a schedule described in the bill that will give municipalities until January 1, 2025 to expunge records that precede January 1, 2000.

How will you Manage Recreational Cannabis and your Employees?
Employers will likely want to update their personnel policies once the new law becomes effective. Employers will have the authority to adopt zero tolerance policies or other policies concerning drug testing, smoking, consumption, storage, or use of cannabis in the workplace provided that the policy is applied in a nondiscriminatory manner. In addition, employers will
have the power to discipline or terminate an employee for violating an employer's employment policies or workplace drug policy, subject to an appeals process. An employer may consider an employee to be impaired or under the influence of cannabis if the employer has a good faith belief that the employee manifests specific, articulable symptoms while working that decrease or lessen the employee's performance of the duties or tasks. Additionally, the law prohibits discrimination against employees for use of "lawful products" like cannabis during nonworking and non-call hours.
MEMORANDUM

TO: Elected Officials
FROM: Paul A. Ellis, Director of Economic Development
DATE: August 16, 2019
SUBJECT: Economic Dev. Dept. - Director's Report

1. The Steering Group for the Economic Development Strategy is reviewing draft recommendations in preparation for a second Community Open House at The REC on September 12 from 5:00 – 7:30 p.m.

2. New store openings are lining up for this fall, including:
   a. OshKosh B’gosh (a children’s apparel subsidiary of Carter’s) is slated to open soon in Lincoln Place II;
   b. Swedish retailer H&M (a new department store) is scheduled to open in St. Clair Square on Sept. 20;
   c. Urban Air Adventure Park will open in Fairview Heights Plaza on Sept. 28;
   d. Total Wine & More will open in Lincoln Place II in October

3. New retail tenants are also being lined up for the former Toys ‘R’ Us box, the former Babies ‘R’ Us store, and the former Logan’s Restaurant.

4. The City Council is slated to approve the first PACE financing program in Southern Illinois and, in anticipation, the Director has been working with Sustainable Solutions Funding (SSF) of St. Louis and the Illinois Finance Authority to publicize this new incentive and its availability, for now, only in Fairview Heights.

5. The Director and Brian Heil from Oates & Associates have been meeting with commercial property owners around the intersection of Market Place and Commerce Lane to begin negotiations for construction of the proposed roundabout at that intersection.

6. KMOV-TV’s Great Day St. Louis program will be featuring Fairview Heights next week as part of the lead-in to Salute to the Arts, which begins Friday, Aug. 23 and runs through the weekend; on air personality Matt Chambers (a Fairview resident) will host features on local recreational businesses like Urban Air Adventure Park, the Chuck Wagon Restaurant, and new stores opening at St. Clair Square.

7. Midwest Wing Fest will again run in the St. Clair Square parking lot through the Labor Day weekend—Saturday, Aug. 31 and Sunday, Sept. 1.

8. The Intergovernmental Agreement for the Metro East Business Incubator (MEBI) has been approved by the Village of Swansea and the Director is meeting with the Community Development Committee of the City of O’Fallon on Monday evening, Aug. 26 and, after the other jurisdictions have signed, the agreement will be presented to the Fairview Heights City Council for approval; the City of Mascoutah has also expressed interest in supporting this initiative.
Economic Dev. Dept. – Director’s Report (continued)

9. Fairview Heights will again host the Downstate Illinois P3 Luncheon, Southern Illinois’ premier gathering for retail development professionals, for the International Council of Shopping Centers at the Fountains Conference Center on Aug. 29 from 11:00 a.m. to 3:00 p.m.

Paul A. Ellis
Director of Economic Development

Attachments:

a. Study - Five retailers opening stores for every retailer closing stores [Chain Store Age]
b. Economic developers, retailers to convene again in Metro East [Illinois Business Journal]
c. Understanding the Challenges to a Successful Cannabis Economy [ED Now – IEDC]
REAL ESTATE

IHL Study: Five retailers opening stores for every retailer closing stores

BY MARIANNE WILSON

August 12, 2019

A new report looks to debunk the ongoing retail apocalypse narrative.

More than five retail chains are opening stores for every retailer that is closing stores in 2019, according to research from IHL Group, which is up from 3.7 in 2018. The company also reports that the number of chains adding stores in 2019 has increased 56%, while the number of closing stores has decreased by 66% in the last year.
Fewer retailers make up the bulk of closures in 2019, according to IHL's Retail Renaissance – True Story of Store Openings/Closings. In 2018, 20 chains represented 52% of all stores closed. In 2019, the 20 announcing the most closures represent 75% of all closures.

According to the research, too much debt and rapid overexpansion driven by historically low-interest rates for the last 10 years are the two main characteristics of chains closing the most stores. Lack of innovation and short-sighted private equity has also played a significant role. Retailers without these characteristics have continued to thrive, the report said, noting that when a retailer closes a lot of stores, it is more of an indictment on the individual retailer rather than an overall retail industry problem as has often been reported.

“U.S. retail has increased $565 billion in sales since January of 2017, fed not just by online sales growth but net store sales growth,” said Lee Holman, VP of research for IHL Group. “Clearly there is significant pressure in apparel and department stores, however, in every single retail segment there are more chains that are expanding their number of stores than closing stores.”

Since 2017, apparel and department store chains have seen the net closure of 9,651 stores. During this same period, all other segments represented 18,226 net new openings. Additional findings include the following:

Sixty-four percent of retailers are increasing the number of stores in 2019, 12% are decreasing and 24% report no change in store counts. This compares to 2018 with 41% increasing store counts, 37% decreasing and 22% with no change.

For every chain closing stores, +5.2 chains are opening stores. Specifically, these ratios by segments include the following:

• Food/drug/convenience/mass merchants: +9.5

• Apparel, hard goods, department stores: +3.7

• Restaurants, fast food, table service: +6.3 chains opening vs closing stores

• 2018 was a peak year in the number of chains closing stores with 37% reducing their store counts. This number has dropped to 12% of total retailers in 2019.

IHL reviewed 1,660 retail chains with 50 or more locations in the United States across nine industry segments. For each retailer, the company measured the total store counts at the end of 2016, 2017, 2018, and plans for 2019 year-end based on company filings and statements. The net total increase or decrease in their store count was noted and that data was tallied across companies.

The research report is available for no cost.
Economic developers, retailers to convene again in Metro East

By Editor | August 12, 2019

By DENNIS GRUBAUGH, Illinois Business Journal

Economic development directors wanting to pitch their community to a large retailer have a unique chance with a planned day of activities bringing them all together this month in Metro East.

The annual P3 Luncheon provides a forum for public and private partners to learn the latest in retailing trends and discuss common issues. Events are set for Thursday, Aug. 29, at the Four Points by Sheraton St. Louis, 319 Fountains Parkway, Fairview Heights.

The forum is called the ICSC Downstate Illinois P3 Luncheon Program. ICSC is the trade association of the retail real estate industry. The program annually brings together people to network, share ideas and discuss mutually desired retail projects.

The theme this year is “Retail Re-Thought: Opportunity & Innovation in Southern Illinois.”

Among sponsors of the event are the city of Fairview Heights, Wittenauer Properties of O’Fallon, the village of Swansea, Holland Construction Services and the Illinois Business Journal.

Fairview’s Director of Economic Development Paul Ellis (shown) is in the thick of planning. The daylong session features a keynote speaker and a series of roundtable discussions.

Keynoter is Wade Laufenberg, vice president real estate and construction for Bealls Outlet stores, a big retailer across the South and East. The company is expanding into Illinois.

“He is a decision-maker on siting,” Ellis said, adding that attendees have a rare chance to network with him and, perhaps, make a pitch.

“Some may even be able to convince him to open a store in their community,” he said.

Sponsors are attempting to attract participants from across the southern part of the state, where Bealls may have aspirations.

Laufenberg, in general, will tell the audience what a retailer looks for in a location.

The roundtable breakout discussions offer a variety of timely subjects.

One presentation is planned on PACE financing, which is a hot topic in Southern Illinois. PACE stands for Property Assessed Clean Energy.

“Our council is in the process of authorizing the first program south of Chicago,” Ellis said. “We have Tom Applebaum, the principal of Sustainable Solutions Funding out of St. Louis. I’ve asked him to come to a roundtable and tell people about it.”
The funding mechanism has been used successfully elsewhere and largely applies to gap financing to cover energy efficiency costs. Many have used it for HVAC work on large projects, both restoration and new construction, and includes air conditioning, geothermal, traditional and solar work.

The St. Louis Mills mall conversion project proposed in St. Louis County will use PACE financing to cover some costs, Ellis said.

“It’s integral to a lot of development today and a piece that we’ve been lacking in this state. Now, it’s coming to Southern Illinois,” he said. “It allows you to spread out the financing and bring out a lot of private money.”

Another roundtable topic will be on “facilitating retail” in small communities.

“Dallas Alley, the building and zoning director in Swansea, will oversee that,” Ellis said. “He’s doing some imaginative things in retail.”

Yet another roundtable will be led by Brett Stawar, president and CEO, of the Great Rivers & Routes Tourism Bureau. The subject is “Tourism and Retail,” which will tap the expertise of Stawar, who has studied the subject for many years in the Alton area. In recent years, the tourism bureau has expanded to take in several surrounding communities.

“Dallas Alley, the building and zoning director in Swansea, will oversee that,” Ellis said. “He’s doing some imaginative things in retail.”

Another roundtable is being planned on the topic of legalized cannabis, around which many communities are contemplating ordinances that will comply with newly enacted state law. The specifics of the roundtable were still being determined at press time.

The market for the meeting is retailers, developers and community leaders, and especially economic developers.

“Some of us have been done this for years, and some people are just learning about it,” he said. The day’s presentation will be of benefit to all participants, he said.

A panel discussion will involve “Opportunity and Innovation in Southern Illinois” and focus on unique and unusual retail developments.

Joining the discussion are expected to be Kurt Artinger, CEO, of Artigem in Belleville; Eric Gowin of Contegra, on the new Ironworks development in Edwardsville; Brad Heath of the Urban Air Adventure Park that is opening in Fairview Heights; Derik Reiser from the Old Herald Brewery in Collinsville; and Sue Spargo, community relations and tourism coordinator, about the Old Schoolhouse in Columbia.

“Some of these will appeal to people in bigger markets, and some will appeal to the smaller markets. There’s something for everybody,” Ellis said.
ED Now Feature | Understanding the Challenges to a Successful Cannabis Economy

tags: marijuana legalization, regulation, taxes, cannabis, financing
Melanie Hwang on Monday, July 22, 2019 at 9:00:00 am

By Hannah Burke and Christine Oketch, IEDC interns

As state governments across the United States continue to legalize both medical and recreational marijuana, the economic benefits have been well documented. Consider these statistics:

- The legal cannabis market is projected to grow to $25 billion by 2025, an increase from $8.3 billion reported in 2017.
- The cannabis industry directly employed 120,000 full-time workers in 2017 and is projected to grow to 330,000 direct jobs by 2022.
- Entry-level jobs at cannabis businesses pay an average of $5,000 a year more than other retail and service jobs.
- States across the country are collecting millions of dollars in additional tax revenue each year from the cannabis market. California brought in just over $345 million in tax revenue from cannabis sales in 2018.

Despite the benefits, however, the industry still faces numerous challenges, particularly in regard to regulation, taxation and societal acceptance.

**Structural challenges**

Marijuana is federally classified as a Schedule 1 drug, which means the U.S. government does not recognize an accepted medical use and presumes a high potential for abuse. The classification poses roadblocks to the successful operation of legal cannabis businesses, particularly around banking regulations and taxation.

There is no law that specifically states that banks or credit unions cannot work with cannabis businesses, but many choose not to due to costly reporting requirements. Only about one in 30 banks or credit unions does business with a cannabis company. For cannabis businesses that are able to work with a banking institution, many worry that the partnership could be revoked at any time. Without bank collaboration, many businesses deal only in cash, and thus have difficulty obtaining credit.
Another issue is the tax code, specifically 26 U.S. Code, Section 280E, which states that “no deduction or credit shall be allowed for any amount paid or incurred during the taxable year in carrying on any trade or business if such trade or business consists of trafficking in controlled substances [i.e., Schedule 1 drugs] which is prohibited by Federal law or the law of any State in which such trade or business is conducted.” What this means for cannabis companies is that although they are operating legally according to the state, the IRS considers their activity illegal. Because of this, cannabis businesses cannot claim even the most basic tax exemptions, such as employee salaries.

“The [tax] rate is hard to calculate, but it’s approximately 80 percent,” says Claudia Matus, owner and operator of Zen Leaf, a medical dispensary in Maryland. “In many cases, it sends cannabis business owners into the red, driving many out of business within the first few years.”

**Stigma persists**

Despite legalization at the state level, cannabis remains controversial in many communities. While a majority of Americans is accepting of medical and recreational marijuana use, less than half support federal legalization. There are misconceptions, limited knowledge, and a general stigma toward cannabis products. A survey also found that half of Americans are uncomfortable in gatherings where cannabis is consumed, and half would not be in a romantic relationship with a cannabis user. In states that have legalized marijuana, resident concerns include odor, secondhand smoke, the location of businesses, aesthetics of dispensary clusters, and easy accessibility of the product to teenagers.

Even with increased public acceptance, bipartisan political support is needed for the industry to grow. Florida Gov. Ron DeSantis recently made public remarks opposing marijuana legalization, even though a recent Quinnipiac University survey showed that over 65 percent of Floridians support recreational marijuana use.

Building a diverse, equitable, and inclusive industry is another area of concern for industry stakeholders. That vast majority of marijuana business owners and founders are white.

“Cannabis is an agricultural commodity, meaning the business relies on economies of scale, which requires a high level of capital,” said Andrew Freedman, former director of cannabis coordination for Colorado and now a legalization consultant. Capital constraints, information gaps, and other factors create barriers to minorities entering the field as owners, employees, patients, and consumers.

 Discriminatory enforcement of cannabis laws regarding people of color has exacerbated the situation. “Cannabis laws exclude people who have felony convictions for either selling or using cannabis from owning or working in the cannabis industry,” said Zen Leaf’s Matus.
Finding workers to perform typical business services (e.g., 401(k) administration, payroll processing, legal services) also can be a challenge, Freedman added, as many firms are wary of associating with cannabis-related businesses.

The EDO’s role

EDOs can help find solutions to these issues. Joseph Devlin, former chief of cannabis policy enforcement for the City of Sacramento, spoke during an IEDC webinar in April about pragmatic approaches to cannabis regulation. If your city or region is in the process of figuring out how to approach legal cannabis, Devlin recommends conducting a self-assessment and then developing a plan to best integrate cannabis into the community and economy. In terms of leveraging economic opportunities, Devlin says communities should realize that although cannabis can create opportunities and growth, it’s not a silver bullet for budget shortfalls. He recommends creating a transparent business vetting and approval process and being willing to recruit businesses into the area.

One example of a partnership between a cannabis business and an EDO is the Charles County (Md.) Department of Economic Development and Zen Leaf. The department assisted in finding a location for the business, facilitated a Q&A with the community to increase engagement, and was a resource on a variety of business issues.

“They looked past the stigma of cannabis since they knew our industry would produce jobs and revenue for the county,” Matus said. “It felt good that they sincerely wanted to see me and Zen Leaf succeed.”

IEDC is committed to keeping members informed of opportunities in the cannabis industry. Claudia Matus will be one of the panelists at the Defining Issues Luncheon: Getting Blunt About Cannabis, on October 14 at IEDC’s Annual Conference in Indianapolis.
CITY OF FAIRVIEW HEIGHTS, IL
SALES TAX REPORT
State 1% Municipal Tax Portion

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YTD CHANGE 1.0% -6.7% 4.3% -2.0% -3.8% -1.8%

MONTHLY AVG $654,960.90 $610,805.39 $653,662.14 $640,702.26 $616,380.78 $605,083.37
TO: Elected Officials
FROM: Angela Beaston, Director of Parks and Recreation
DATE: August 16, 2019
SUBJECT: Parks & Recreation Committee Agenda Overview

**Director’s Report:** The following is a synopsis of the Parks and Recreation Department:

All Fairview Heights residents should have received the Fall Magazine last week, in the magazine you will find all of the upcoming programs and events for all Parks and Recreation activities and REC membership information through the end of December.

Parks Department: The Parks Department has been very busy preparing the parks for the up-coming special events.

The department is also working on completing the Grandstand Renovation Project (St. Clair County Grant) and football goal post installation. The final phase of seat installation and goal post installation will be happening at the end of August. This grant must be finalized by the end of November 2019.

REC Complex: This month the REC Complex will have been open for a little over 3 months and continues to prove to be a huge asset to our community. The REC team is working toward establishing goals for each department and each department understands that they are accountable for reaching and achieving their goals. While membership continues to increase each week, the team is working very hard to promote new programming for the facility. Understanding that this is a new facility, the team will continue to collaborate to find the programming that is suitable for our facility.

**Up Coming Events:**

- Museums, Mosaics and Mozzarella – Senior Trip – August 22, 2019
- Fall Sports Programming Youth-Adult begins at the end of August
- Sensory Swim Sundays begins on September 15, 2019 at the REC
- Midwest Salute to the Arts – August 23-25th at Moody Park
- Fishing Rodeo – Saturday, August 31st at Moody Park

**Agenda Review:**

Agenda Item #1 - Director’s Report: General discussion regarding items in report