

**ORDINANCE AMENDING ARTICLE 19 (OPERATION OF CANNABIS BUSINESS) OF
CHAPTER 18 (LICENSES AND MISCELLANEOUS BUSINESS REGULATIONS) OF THE
CODE OF THE CITY OF PEORIA**

WHEREAS, the City of Peoria is a home rule unit of government pursuant to Article 7, Section 6 of the Illinois Constitution of 1970 and 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, the Cannabis Regulation and Tax Act (410 ILCS 705 *et. seq.*), effective January 1, 2020 allowed local units of government to determine reasonable zoning restrictions on cannabis businesses; and

WHEREAS, the Cannabis Regulation and Tax Act allowed local units of government to establish civil penalties for a violation of the manner of operation of a cannabis business establishment; and

WHEREAS, the Cannabis Regulation and Tax Act allowed local units of government to authorize the on-premises consumption of cannabis at or in a cannabis establishment; and

WHEREAS, the Cannabis Regulation and Tax Act allowed local units of government to regulate these activities in a manner no more restrictive than the regulation of those activities by the State in the Act; and

WHEREAS, although the State has limited the ability of local governments to prohibit the use of cannabis within its jurisdiction, it allows local governments to regulate the operation, zoning, minimum distances to sensitive areas and on-site consumption at cannabis businesses; and

WHEREAS, the City Council deemed it reasonable and within its authority to adopt a business license procedure for cannabis businesses, consistent with and similar to other adult-use businesses such as alcohol, tobacco and gambling; and

WHEREAS, on October 15, 2019 the City Council adopted Ordinance No. 17719 providing for the licensing of certain cannabis businesses and minimum distance requirements as to the location of certain cannabis businesses; and

WHEREAS, on October 15, 2019, the City Council adopted Ordinance No. 17719 providing for the zoning requirements for certain cannabis businesses; and

WHEREAS, as the industry has matured and additional state licenses have recently been issued, the City Council sought feedback from staff and the public on new or amended regulations than what was originally adopted in 2019; and

WHEREAS, based on industry changes, additional licenses and public feedback, the City Council has determined that changes to the local ordinance for Cannabis Businesses is in the best interest of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF PEORIA, ILLINOIS, 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. Amendment of Article XIX. Chapter 18 of the Municipal Code of the City of Peoria shall be amended by inclusion of underlined words and deletion of the stricken words as follows:

ARTICLE XIX. CANNABIS BUSINESSES

DIVISION 1. DEFINITIONS

Sec. 18-669. Definitions.

The following terms shall be given the following means, as described in the Cannabis Regulation and Tax Act:

Cannabis means marijuana, hashish, and other substances that are identified as including any parts of the plant *Cannabis sativa* and including derivatives or subspecies, such as indica, of all strains of cannabis, whether growing or not; the seeds thereof, the resin extracted from any part of the plant; and any compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin, including tetrahydrocannabinol (THC) and all other naturally produced cannabinol derivatives, whether produced directly or indirectly by extraction; however, "cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted from it), fiber, oil or cake, or the sterilized seed of the plant that is incapable of germination. "Cannabis" does not include industrial hemp as defined and authorized under the Industrial Hemp Act. "Cannabis" also means concentrate and cannabis-infused products.

Cannabis concentrate means a product derived from cannabis that is produced by extracting cannabinoids from the plant through the use of propylene glycol, glycerin, butter, olive oil or other typical cooking fats; water, ice, or dry ice; or butane, propane, CO₂, ethanol, or isopropanol. The use of any other solvent is expressly prohibited unless and until it is approved by the department of agriculture.

Cannabis-infused product means a beverage, food, oil, ointment, tincture, topical formulation, or another product containing cannabis that is not intended to be smoked.

Craft grower means a facility operated by an organization or business that is licensed by the 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.

Cultivation center means a facility operated by an organization or business that is licensed by the department of agriculture to cultivate, process, transport (unless otherwise limited by the Cannabis Regulation and Tax Act), and perform other necessary activities to provide cannabis and cannabis-infused products to cannabis business establishments.

Dispensing organization means a facility operated by an organization or business that is licensed by the department of financial and professional regulation to acquire cannabis from a cultivation center, craft grower, processing organization, or another dispensary for the purpose of selling or dispensing cannabis, cannabis-infused products, cannabis seeds, paraphernalia, or related supplies under the Cannabis Regulation and Tax Act to purchasers or to qualified registered medical cannabis patients and caregivers. A dispensary organization shall include a registered medical cannabis organization as defined in the Compassionate Use of Medical Cannabis Pilot Program Act or its successor Act that has obtained an Early Approval Adult Use Dispensing Organization License.

Infuser organization or infuser means a facility operated by an organization or business that is licensed by the department of agriculture to directly incorporate cannabis or cannabis concentrate into a product formulation to produce a cannabis-infused product.

Processing organization or processor means a facility operated by an organization or business that is licensed by the 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.

Social Equity Applicant means an applicant that is an Illinois resident that meets one or more of the following criteria: (1) an applicant with at least 51% ownership and control by one or more individuals who have resided for at least 5 of the preceding 10 years in a Disproportionately Impacted Area; (2) an applicant with at least 51% ownership and control by one or more individuals who: (i) have been arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement under this Act; or (ii) is a member of an impacted family; (3) for applicants with a minimum of 10 full-time employees, an applicant with at least 51% of current employees who: (i) currently reside in a Disproportionately Impacted Area; or (ii) have been arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement under this Act or a member of an impacted family.

DIVISION 2. MINIMUM DISTANCES

Sec. 18-670. Minimum distance limitations.

(a) No person shall sell, barter, exchange or otherwise deal in, at any place located within:

- (1) Five hundred feet of the property line of any state licensed child care facility, public, private or parochial elementary, middle, secondary schools, universities or post-secondary education facilities or a building or location used for the education or recreation of minors or young adults under the age of 21 (collectively referred to as "schools"); and
 - (2) Five hundred feet of the property line of any house of worship "collectively "churches"), any cannabis, cannabis concentrate or cannabis infused product.
- (b) For any businesses that sells or offers for sale cannabis or cannabis-infused products, the distance shall be measured by uninterrupted distance from property line of the school to the property line of the business.

(c) A dispensing organization shall not be located within 1,500 feet of the property lines of a pre-existing dispensing organization.

Sec. 18-671. Penalty.

Any person who shall violate any of the provisions of this article shall upon conviction thereof, be punished by a fine of \$500.00, as set forth in section 1-5.

Nothing in this section shall preclude or affect the enforcement of section 18-678.

DIVISION 3. LICENSES

Sec. 18-672. License required.

No person shall keep for sale or shall sell or offer to sell any cannabis, cannabis concentrate or cannabis infused product at any place within the city, without having first procured a license therefore.

Sec. 18-673. Reserved.

Sec. 18-674. Application.

An application for any license required by this division shall be made in writing to the city comptroller which shall set forth the following:

- (1) The name of the individual, partnership, corporation or association applying for the license.
- (2) The residence, phone number and driver's license number of the applicant or partners; or, if a corporation or association, the residence, phone number and driver's license number of the principal officers.
- (3) The location for which the license is requested.
- (4) The type of license requested:

- a. Craft grower.
 - b. Cultivation center.
 - c. Dispensing organization.
 - d. Infuser organization or infuser.
 - e. Processing organization or processor.
- (5) Whether the applicant, his partners or the principal officers of the corporation or association have been convicted of a non-cannabis related criminal offense or ordinance violation (other than cannabis, traffic or parking offenses) in any jurisdiction and, if so, a list of such convictions with date and prosecuting jurisdiction.

(6) Status as a Social Equity Applicant. Applicants will submit Exhibit P (Evidence of Status as a Social Equity Applicant) of its application to the State of Illinois for a Conditional Adult Use Dispensary Application, as may be amended by the Illinois Department of Professional Regulation.

Sec. 18-675. Fees.

The applicant for a license under this division shall pay the city treasurer a fee per year or part thereof for each license applied for each of the first three years the licensee is in business and then afterwards. Each year of business will be calculated as 365 days of operation, not calendar year. Fees will be as follows:

First Year of License	Fee
Adult-use cannabis craft grower	\$1,000.00
Adult-use cannabis cultivation center	5,000.00
Adult-use cannabis dispensing organization	2,500.00
Adult-use cannabis infuser organization or infuser	500.00
Adult-use cannabis processing organization or processor	500.00

Second Year of License	Fee
Adult-use cannabis craft grower	\$1,500.00
Adult-use cannabis cultivation center	7,500.00
Adult-use cannabis dispensing organization	3,750.00
Adult-use cannabis infuser organization or infuser	750.00
Adult-use cannabis processing organization or processor	750.00

Third Year and Subsequent Years of License	Fee
Adult-use cannabis craft grower	\$2,000.00
Adult-use cannabis cultivation center	10,000.00

Adult-use cannabis dispensing organization	5,000.00
Adult-use cannabis infuser organization or infuser	1,000.00
Adult-use cannabis processing organization or processor	1,000.00

Sec. 18-676. Issuance.

The city comptroller shall issue the license requested under this division unless he shall find:

- (1) That the applicant is under the age of 21.
- (2) That the applicant or any principal officer therein has held a license or had an interest in a license issued pursuant to this division that was revoked for cause.
- (3) That the applicant is proposing a location that is in violation of the minimum distance limitations of section 18-670.
- (4) That the location is permitted per the city's zoning regulations and that the structure meets all applicable building and fire codes, as reflected in the Unified Development Code, chapter 5 and chapter 11 of the city's Code, respectively, as may be amended from time to time.

Sec. 18-677. Posting.

Every license issued under this division shall, at all times during the period for which it is effective, be posted in a conspicuous place at or near the principal entrance to the premises for which the license is issued.

Sec. 18-678. Revocation, suspension, and fines.

- (a) Any license issued pursuant to this division may be revoked, suspended for a period not to exceed 30 days and/or imposed a fine of not more than \$1,000.00 for a first violation within a 12-month period, \$1,500.00 for a second violation within a 12-month period, and \$2,500.00 for a third or subsequent violation within a 12-month period for a violation of this chapter. Each day a violation continues shall constitute a separate violation. Not more than \$15,000.00 in fines under this section may be imposed against any licensee during the period of an annual license.
- (b) Violations of this chapter and any revocation, suspension or fines as per subsection (a) above, will only be issued if the mayor, after a duly noticed hearing, determines:
 - (1) That the licensee has violated any of the provisions of this article, the laws of the state, or ordinances of the city at the licensed location.
 - (2) That the licensee has knowingly furnished false or misleading information or withheld relevant information on any application for a license required by this division or any investigation into any such application.

- (3) The licensee shall be responsible for the acts of his agents, servants and employees in the operation of any licensed establishment. Prior to holding a hearing concerning the question of whether a license issued pursuant to this division shall be revoked or suspended, the mayor shall give at least ten days' written notice to the licensee setting forth the alleged violations specifically. The licensee may present evidence at such hearing and cross-examine witnesses.
- (4) Upon the revocation of a cannabis business license issued pursuant this division, no cannabis business license shall be issued for that location within 12 months of the revocation of the cannabis business license and the location must comply with the current minimum distance requirements from a school as prescribed in section 18-670 of the city Code.

Sec. 18-679. Transfer.

A license issued pursuant to this division may not be transferred, sold or assigned to any other person including sales or transfer structured under a Membership Purchasing Agreement; nor shall such license be transferred to any location other than that listed on the application.

18-680. Onsite Use Prohibited.

No cannabis shall be smoked, eaten or otherwise consumed or ingested in a licensed facility.

18-681. License Limitations.

No more than six (6) adult use cannabis dispensary conditional uses may be established within the corporate limits. Of the six cannabis dispensary conditional uses within the City, three (3) shall be reserved and issued for social equity candidates, in order to maximize the state legislature's intent of Seciton 7-1, Article h of the Cannabis Regulation and Tax Act, 410 ILCS 705/7.

No more than

SECTION 3. Effective Date. This ordinance shall be in full force and effect immediately after its passage and publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF PEORIA, ILLINOIS this _____ day of _____, 2023.

APPROVED:

Rita Ali, Mayor

ATTEST:

Stefanie Tarr, City Clerk

EXAMINED AND APPROVED:

Patrick Hayes, Corporation Counsel