

AN ORDINANCE CREATING 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 (Public Act 101-0027, effective January 1, 2020) allows local units of government to determine the minimum distance limitations between cannabis businesses, Section 55-25(2); and

WHEREAS, the Cannabis Regulation and Tax Act allows local units of government to establish civil penalties for a violation of the manner of operation of a cannabis business establishment, Section 55-25 (2); and

WHEREAS, the Cannabis Regulation and Tax Act allows local units of government to regulate the on-premises consumption of cannabis at or in a cannabis establishment, Section 55-25(3); and

WHEREAS, the Cannabis Regulation and Tax Act allows 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, Section 55-25(4); 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, minimum distances to sensitive areas and on-site consumption at cannabis businesses; and

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

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. Creation of Article XIX. Chapter 18 of the Municipal Code of the City of Peoria shall be amended by the addition of Article XIX that will read as follows:

ARTICLE XIX. – CANNABIS BUSINESSES

DIVISION 1: DEFINITIONS

Sec. 19-659. – 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.

DIVISION 2: MINIMUM DISTANCES

Sec. 19-660. – Minimum Distance Limitations.

(a) No person shall sell, barter, exchange or otherwise deal in, at any place located within: (1) five hundred feet (500’) 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 (500’) 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.

Sec. 19-661. - Penalty.

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

Nothing in this section shall preclude or affect the enforcement of Section 19-676.

DIVISION 3. - LICENSES

Sec. 19-662. – 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. 19-662-672 – On Site Consumption. RESERVED

Sec. 19-673. - 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.

Sec. 19-673. - 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 (3) 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:

<u>First Year of License</u>	<u>Fee</u>
<u>Adult-Use Cannabis Craft Grower</u>	<u>\$1,000.00</u>
<u>Adult-Use Cannabis Cultivation Center</u>	<u>\$5,000.00</u>
<u>Adult-Use Cannabis Dispensing Organization</u>	<u>\$2,500.00</u>
<u>Adult-Use Cannabis Infuser Organization or Infuser</u>	<u>\$500.00</u>
<u>Adult-Use Cannabis Processing Organization or Processor</u>	<u>\$500.00</u>

<u>Second Year of License</u>	<u>Fee</u>
<u>Adult-Use Cannabis Craft Grower</u>	<u>\$1,500.00</u>
<u>Adult-Use Cannabis Cultivation Center</u>	<u>\$7,500.00</u>
<u>Adult-Use Cannabis Dispensing Organization</u>	<u>\$3,750.00</u>
<u>Adult-Use Cannabis Infuser Organization or Infuser</u>	<u>\$750.00</u>
<u>Adult-Use Cannabis Processing Organization or Processor</u>	<u>\$750.00</u>

<u>Third Year and Subsequent Years of License</u>	<u>Fee</u>
<u>Adult-Use Cannabis Craft Grower</u>	<u>\$2,000.00</u>
<u>Adult-Use Cannabis Cultivation Center</u>	<u>\$10,000.00</u>
<u>Adult-Use Cannabis Dispensing Organization</u>	<u>\$5,000.00</u>
<u>Adult-Use Cannabis Infuser Organization or Infuser</u>	<u>\$1,000.00</u>
<u>Adult-Use Cannabis Processing Organization or Processor</u>	<u>\$1,000.00</u>

Sec. 19-674. - 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 19-660.
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. 19-675. - 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. 19-676. - 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 for a first violation within a 12-month period, \$1,500 for a second violation within a 12-month period, and \$2,500 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 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:
- a. 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.
 - b. 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.
 - c. 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.
 - d. 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 19-660 of the City Code.

Sec. 19-677. - Transfer.

A license issued pursuant to this division may not be transferred, sold or assigned to any other person; nor shall such license be transferred to any location other than that listed on the application.

SECTION 3. Effective Date. This ordinance shall be in full force and effect thirty (30) days after its passage and publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF PEORIA, ILLINOIS this _____ day
of _____, 2019.

APPROVED:

Jim Ardis, Mayor

ATTEST:

Beth Ball, City Clerk

EXAMINED AND APPROVED:

Corporation Counsel