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OFFICE OF THE
VILLAGE MANAGER

Date: August 22, 2019
To: Village President and Board of Trustees
From: [Timothy J. Frenzer](#), Village Manager
Subject: **Discussion of Next Steps Concerning State Law Legalizing Possession and Use of Recreational Cannabis**

Appointment of Judiciary Committee as Special Zoning Committee

Recommended Actions

1. Appoint the Judiciary Committee as a Special Zoning Committee to review amendments to the Zoning Ordinance necessitated by the Illinois Cannabis Regulation and Tax Act, as described in the accompanying memorandum prepared by the Corporation Counsel.
2. Review the options discussed in this memorandum on how to proceed, and provide Staff with additional direction in September.

Overview

In connection with this Agenda item, the Village Board will have received a detailed memorandum from Corporation Counsel Jeffrey Stein, discussing the provisions of the new Illinois Cannabis Regulation and Tax Act ("Act"), which will take effect on January 1, 2020.¹ Mr. Stein's memo explains the provisions of the Act and also explains the permitted scope of municipal regulation. While municipalities may not prohibit the lawful possession of recreational cannabis after January 1, 2020, they do still retain the

¹ 410 ILCS 705, *et seq.*

authority to determine whether or not to permit sale of recreational cannabis at retail, and if so, where and under what limitations as may be allowed under the Act. While not identical, the choices left to the Village under the Act parallel local choices concerning the sale of alcoholic beverages.

Mr. Stein is recommending to the Village Board that, regardless of what next steps the Village Board decides to take, there are amendments to the “Definitions” part of the Zoning Ordinance and other Village Code amendments necessitated by the Act relating to the differentiation between medical cannabis and non-medical cannabis. As any amendment to the Zoning Ordinance requires the Village Board to appoint a Special Zoning Committee to conduct the required public hearing, we recommend that the Village Board appoint the Judiciary Committee as a Special Zoning Committee. The Judiciary Committee will then be authorized to review the Corporation Counsel’s recommendations and submit a report and recommendation to the Village Board in sufficient time to adopt an Ordinance prior to the end of 2019. As the Judiciary Committee reviews matters related to the Liquor Control Ordinance and liquor licensing, it seems the most appropriate standing committee to review this matter.

Aside from the technical amendments to the Zoning Ordinance that need to be done regardless of what approach the Village decides to take regarding the sale of cannabis for recreational purposes, the Village does need to take additional legislative actions to prepare for the Act taking effect. This is the case regardless of whether the Village intends to permit or prohibit the sale of non-medical cannabis. The purpose of this memorandum is to provide some background on the Village’s prior treatment of cannabis and to outline in broad terms the Village’s options going forward.

Prior Treatment of Cannabis in Wilmette

Consistent with the State’s Compassionate Use of Medical Cannabis Pilot Program Act (as discussed in the Corporation Counsel’s memorandum), Wilmette amended its Zoning Ordinance and Village Code in 2014 to provide for the potential sale of medical cannabis.² Although there are no medical cannabis dispensaries in Wilmette, in compliance with State law the Village did amend its Zoning Ordinance to identify the limited area where a dispensary could be located if the State should provide such a license.

Insofar as non-medical, recreational use of cannabis is concerned, possession has been unlawful in Wilmette and statewide. However, Wilmette was one of the first communities in Illinois to “decriminalize” possession of small amounts of cannabis. “Decriminalization” means that, by local ordinance, police may, in their discretion, issue local ordinance tickets for possession of small amounts of cannabis, instead of arresting and charging the offender with a criminal offense under State law. Wilmette authorized local ordinance tickets in 1991, and this provision of the Village Code is still in effect.³

² Ord. 2014-O-1, adopted Jan. 28, 2014.

³ Ord. 91-O-74, adopted Nov. 5, 1991. See Wilmette Village Code (2019), Ch. 12, §12-350, *et seq.*

Options Going Forward

As the Corporation Counsel's memorandum discusses in more detail, the Village essentially has three regulatory paths it may choose from going forward. While the Act preempts considerable municipal authority, it still allows for a municipality to prohibit recreational cannabis dispensaries.

1. Permit the Sale of Cannabis by a Licensed Dispensary

The Village could elect to let the Act take effect here, which would allow a dispensary properly licensed by the State to conduct business in Wilmette. This is the option that Northbrook, for example, is pursuing.

Although the Act will take effect without any action by a municipality, if a municipality wants to permit a dispensary to operate it will still need to adopt a local zoning ordinance amendment identifying the zoning district or districts in which such a business would be permitted to operate, whether it would be a permitted or special use, and any other limitations, such as density standards (*i.e.* limiting how many are allowed and how close to each other they can be located). A local tax ordinance would also need to be adopted. Such ordinances should be in place before the end of 2019.

2. Prohibit the Sale of Recreational Cannabis

The Act does allow a municipality to prohibit dispensaries within its jurisdiction (although possession of lawfully acquired cannabis cannot be prohibited). This is the option that Lake Bluff, for example, is considering.

Prohibiting recreational cannabis dispensaries would require a local ordinance to that effect, adopted prior to the end of 2019. Medical dispensaries cannot be prohibited. Regardless, a local ordinance adopting the new statutory definitions (as recommended by the Corporation Counsel) will still be necessary. It also may be advisable to adopt a local taxation ordinance, even if recreational sale is prohibited, to guard against future State preemption of local regulation or taxation (as occurred with the State preemption of local tobacco taxes).

3. Adopt a Moratorium (Red Flag) Ordinance, Pending Review or Referendum

Another option would be to adopt an ordinance initially prohibiting recreational cannabis dispensaries, either indefinitely or with a sunset clause, with the objective of conducting additional review and gathering more resident input. This amounts to a moratorium on sale of cannabis for recreational use, and are sometimes referred to as "red flag" ordinances. Park Ridge, for example, indicated its intention to adopt a "red flag" ordinance pending the result of an advisory referendum in 2020.

During the moratorium period, the experience of municipalities that decided to allow dispensaries could be evaluated. One concern in that regard is that, depending on the speed of the State's licensing process, there may be some significant time before a

meaningful period of experience occurs. As discussed above in the case of outright prohibition, it will also still be necessary to adopt a local ordinance making the appropriate changes to definitions, and a local taxation ordinance may still be advisable.

In terms of gathering additional public opinion, Park Ridge has indicated its desire to proceed with an advisory referendum. That is consistent with how many municipalities, including Wilmette, dealt with the somewhat comparable issue of going from “dry” to allowing the sale of alcoholic beverages.

Wilmette does have precedent in this regard, in terms of liquor control. In 1974, after about one hundred years of prohibiting the sale of alcoholic beverages, and at the urging of the business community, the Village Board voted to add referendum questions on whether the sale of alcohol should be permitted in Wilmette to the March 1974 Special Election ballot.⁴ The Village Board chose this election because a referendum on the creation of the Regional Transportation Authority (RTA) was also on the ballot (apparently in the belief that there would be strong voter turnout).⁵ The voters’ approval led to the adoption of ordinances legalizing the sale of alcoholic beverages at retail and in restaurants.⁶

The March 20, 2018 Gubernatorial Primary Election included a Cook County-wide referendum question asking voters whether they approved of the legalization of cannabis for recreational use by persons 21 years of age or older.⁷ The results showed that the proposition was approved by a margin of 68% to 32% county-wide (both Chicago and suburban Cook County).⁸ The referendum was also approved by Wilmette voters by an almost identically substantial margin of 67% to 33%.⁹ It should be noted, however, that the referendum question asked if the State of Illinois should legalize “marijuana,” which is not the same as asking whether the retail sale of cannabis should

⁴ The Village Board actually voted to add three referendum questions concerning sale of alcohol: (1) “Shall the sale of alcoholic beverages be permitted in restaurants?” (2) “Shall the sale of packaged alcohol beverages be permitted?” and (3) “Shall the sale of alcoholic beverages be permitted in taverns?” *Minutes of the Special Meeting of the President and Board of Trustees of the Village of Wilmette, Jan. 10, 1974.*

⁵ Bushnell, George D., *Wilmette: A History*, Wilmette Bicentennial Comm’n (2d Ed., 1997), pp. 193-196.

⁶ The canvass of results showed that the question of permitting sale of alcohol in restaurants was approved 5,778 to 3,223, the question of permitting sale at retail was approved 4,596 to 4,242, and the question of sale in taverns was disapproved, 6,694 to 2,007. *Minutes of the Regular Meeting of the President and Board of Trustees of the Village of Wilmette, April 2, 1974.*

⁷ The referendum question was, “Shall the State of Illinois legalize the cultivation, manufacture, distribution, testing, and sale of marijuana and marijuana products for recreational use by adults 21 and older subject to state regulation, taxation and local ordinance?” *Source: Cook County Clerk*

⁸ *Source: Cook County Clerk, Post-Election Report, March 20, 2018.*

⁹ *Source: Cook County Clerk.* It should be noted the Wilmette results are approximate, as the county-wide referendum results are organized by township precinct, and a small portion of Wilmette is included in Northfield Township Precinct 35, in addition to New Trier Township. Precinct 35 totals are included, but it is unknown how many of the 326 votes cast on the referendum are from Wilmette residents. Nevertheless, they cannot materially alter the substantial margin of approval.

be permitted in Wilmette, specifically. The same result may not have been obtained if the referendum question was specific to Wilmette or asked about licensing dispensaries.

Although a public hearing process may and often is also utilized, public hearings also generate comment from participants who self-select, and therefore may not represent an accurate cross-section of public opinion. A referendum would engage a considerably larger sample size of residents, particularly if tied to an election which was expected to have above-average voter turnout. As discussed above, referenda are often used with liquor control issues because such decisions are quality of life/nature of the community issues, as opposed to purely administrative matters. A referendum would also demonstrate whether the apparently overwhelming resident support for legalization of cannabis in 2018 translates into actual support for local dispensaries.

Should the Village choose this option, the next logical election to add such a referendum to would be the November 2020 General Election, as interest in the Presidential election is likely to be very high. Spring primary elections are more problematic, as not all persons want to declare a political affiliation to obtain a ballot, so special non-partisan referendum ballots are required. Additionally, one political party may or may not have as substantial a level of interest in the primary election. Therefore, a general or consolidated election is preferable.

TJF



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Date: August 22, 2019
To: Village President and Board of Trustees
From: [Jeffrey M. Stein](#), Corporation Counsel
Subject: CANNABIS REGULATION AND TAX ACT

INTRODUCTION

The State of Illinois' newly adopted Cannabis Regulation and Tax Act (410 ILCS 705 *et seq.*) ("Act") will take effect on January 1, 2020. The new law allows for the lawful possession, sale and recreational consumption of cannabis throughout Illinois. While municipalities, even Home Rule Municipalities, have been limited in what they can regulate in regards to cannabis sales, possession, and use, the legislature did leave some matters of local concern to be addressed by the respective municipalities. This memorandum is intended to provide a brief summary of the new law and provide a series of decision points and the timeframes for such decisions that the Village Board will need to make in regards to local regulation of cannabis sale, possession, and use.

SUMMARY

The Act legalizes the sale, possession and use of cannabis by people over the age of 21 for recreation (not just medical) purposes. Similar to Medical Marijuana (which was enacted by the Compassionate Use of Medical Cannabis Pilot Program Act ("Medical Marijuana Act")), the Act provides for both the growth and distribution of cannabis which will be licensed and regulated by the State. The Act also provided for statewide taxation of the wholesale and retail sale of cannabis and further allows for the local taxation of the retail sale of cannabis. A big difference between the Act and the Medical Marijuana Act is the express authorization of municipalities to restrict or otherwise regulate

“Cannabis business establishments” through zoning controls and other regulatory ordinances.

POSSESSION AND USE OF CANNABIS

What is now lawful.

The Act authorizes Illinois residents over the age of 21 to purchase and possess up to:

1. 30 grams of cannabis (in its raw form),
2. 5 grams of cannabis concentrate, or
3. cannabis infused products containing up to 500 milligrams of THC.

All cannabis products must be purchased from a State licensed facility, except Medical Cannabis patients may grow up to five cannabis plants that are more than five inches tall, per household, for their own personal cannabis consumption (and presumably the consumption of another Medical Cannabis patient).

The Act does not allow the unregulated use of cannabis consumption. There are still many restrictions on where you can purchase cannabis, the potency of the cannabis and where one can consume cannabis.

What is still prohibited.

While the possession and use of cannabis is now lawful, it is still a heavily regulated activity in many ways similar to the smoking of tobacco or consumption of alcohol. There is still a series of prohibited activities that would be deemed either local violations (Administrative Adjudication) or criminal activity (Circuit Court). The list of prohibitions provided below is intended to inform the Village Board of the most relevant prohibitions and is not an all-inclusive list as provided for in the Act.

The possession and use of cannabis is prohibited:

- on school grounds or a school bus;
- in a vehicle not open to the public unless the cannabis is in a reasonably secured, sealed container and reasonably inaccessible while the vehicle is moving;

The use of cannabis is prohibited:

- in any public place;

Such places are defined as “any place where a person could reasonably be expected to be observed by others.” “Public place” includes all parts of buildings owned in whole or in part, or leased, by the State or a unit of local government. “Public place” does not include a private residence unless the private residence

is used to provide licensed childcare, foster care, or other similar social service care on the premises;

- in any motor vehicle;
- when knowingly used in close physical proximity to anyone under 21 years of age who is not a registered medical cannabis patient under the Compassionate Use of Medical Cannabis Pilot Program Act;
- in any place where smoking is prohibited under the Smoke Free Illinois Act (includes most commercial businesses, offices, stores, restaurants, bars, government buildings, parks);
- while operating, navigating, or being in actual physical control of any motor vehicle, aircraft, or motorboat while using or under the influence of cannabis;
- by a law enforcement officer, corrections officer, probation officer, or firefighter while on duty;
- by a person who has a school bus permit or a Commercial Driver's License while on duty;
- when undertaking any task under the influence of cannabis when doing so would constitute negligence, professional malpractice, or professional misconduct;

Furthermore, no person may transfer cannabis or facilitate the use of cannabis to any other person not authorized by the Act or Medical Marijuana Act.

SALE OF CANNABIS

While the State has preempted a majority of the regulatory field of cannabis cultivation and dispensing, the State did reserve some regulatory powers to local government. As part of the State's regulations, the Act creates new categories of different types of cultivators, dispensers and others, which are collectively defined as "Cannabis business establishments."

The following definitions are included in the Act:

"Cannabis business establishment" means a cultivation center, craft grower, processing organization, dispensing organization, or transporting organization.

"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. A craft grower may contain up to 5,000 square feet of canopy space on its premises for plants in the flowering state. The

Department of Agriculture may authorize an increase or decrease of flowering stage cultivation space in increments of 3,000 square feet by rule based on market need, craft grower capacity, and the licensee's history of compliance or noncompliance, with a maximum space of 14,000 square feet for cultivating plants in the flowering stage, which must be cultivated in all stages of growth in an enclosed and secure area. A craft grower may share premises with a processing organization or a dispensing organization, or both, provided each licensee stores currency and cannabis or cannabis-infused products in a separate secured vault to which the other licensee does not have access or all licensees sharing a vault share more than 50% of the same ownership.

"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 this Act), and perform other necessary activities to provide cannabis and cannabis-infused products to cannabis business establishments.

"Dispensary" means a facility operated by a dispensing organization at which activities licensed by this Act may occur.

"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 this Act to purchasers or to qualified registered medical cannabis patients and caregivers. As used in this Act, 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.

"Transporting organization" or "transporter" means an organization or business that is licensed by the 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.

State Licensing

The State will be responsible for the general licensing of all Cannabis business establishments, much in the same way it is under the Medical Marijuana Act. Specific departments of the State will create rules and regulations for the different types of Cannabis business establishments. Local governments may not enter the field of licensing or regulating Cannabis business establishments, except as otherwise provided for in the Act (discussed below).

Per the Medical Marijuana Act, there are 55 cannabis dispensaries and 20 cultivation centers currently authorized under the Medical Marijuana Act. No such facilities are located within the Village (such facilities are Special Uses in the GC-1 District). Each of those facilities can apply for authorization, prior to other new establishments applying, to convert or expand their medical operations to the recreational marijuana markets.

In addition to the existing Medical Marijuana dispensaries currently licensed by the State, the Illinois Department of Financial and Professional Regulation may award:

1. no more than 75 conditional Dispensary licenses by 2020;
2. no more than 110 additional Dispensary licenses by 2021; and
3. no more than 500 total dispensary licenses by 2022.

In addition to the dispensaries, the State will authorize:

1. 50 Cultivators;
2. 100 Craft Growers;
3. 100 Infusers.

Local Regulations

Local governments are expressly authorized to regulate Cannabis business establishments in two separate areas: zoning and general business regulation.

Per the Act, the Village can prohibit entirely or otherwise significantly restrict the locations of where a Cannabis business establishment may be located within its jurisdiction through its zoning powers. Furthermore, the Village may allow one type of Cannabis business establishment over another (e.g. dispensaries are prohibited but cultivators are allowed). An amendment to the Zoning Ordinance will be needed prior to January 1, 2020, no matter if the Village completely prohibits such uses or if it wants to allow such uses and regulate them.

If the Village were to allow one or more types of Cannabis business establishments within its jurisdiction, the Village may:

1. determine if such uses were to be permitted or special uses;
2. determine in what districts such uses could be located;
3. reasonably regulate the time, place, manner, of their business operations that do not conflict with the Act may be enacted. The Act already covers many regulations such as:

- a. the hours of operations for a dispensary are from 6:00 a.m. to 10:00 p.m. – it is unknown if the hours of operation can be reduced by the Village;
 - b. drive-through windows are not allowed;
 - c. security and lighting plans must be approved by the State and must be operational while open for business;
 - d. there must be at least two employees working when the facility is open for business;
4. limit the total number of such establishments allowed to be operating within the Village through the special use process; and
 5. create the minimum distances such establishments may be from other types of uses (e.g. schools, parks, playgrounds).

In addition to zoning regulations, the Village may reasonably regulate those facilities that allow for retail sale and/or on premise use of cannabis at those locations. One area that the Village can regulate entirely is the on-site consumption of cannabis at Cannabis business establishments. The Village may completely restrict such consumption or otherwise place reasonable limitations upon such consumption (time, place, manner restrictions).

The Village may also enforce general business registration requirements and compliance of building codes for any retail operation open to the public, but may not enact cannabis specific regulations that are already provided for by the State.

TAXATION

Sales by cultivators, craft growers, infusers, and dispensaries can be taxed by the State. The State's cultivation tax is 7% and the retail excise tax will be between 10% and 25% depending upon the specific products THC level. The State will contribute 8% of its collected taxes to the Local Government Distributive Fund ("LGDF") for the purpose of crime prevention, law enforcement training, and drug interdiction.

The Village, should it allow retail cannabis stores, may impose a tax up to 3% on the sales to the consumer. This tax, which can only apply to retail sale of cannabis and not the cultivation of the same, will need to be implemented by ordinance.

NEXT STEPS

Code Changes Required

Regardless of the Village's decision on the policy of whether to allow all or some of the Cannabis business establishments created by the Act, there are a number of changes to the Village Code that are needed.

The following amendments are recommended to take place prior to January 1, 2020:

1. Amend the Zoning Ordinance to include the definitions of each type of Cannabis business establishment.

2. Amend the Village's own Smoke Free Ordinance as well as the Miscellaneous Offenses sections of the Village Code to make the Village Code consistent with the restrictions provided for in the Act and the Village's current regulation of the use of tobacco.
3. Adopt and enact the taxation ordinance, even if such cannabis uses are to be prohibited in the Village, to ensure the validity of such a tax in the future should the policy change. The Village would presumably be "grandfathered" in if there were any changes by the General Assembly to the local taxation element of the Act.

Decision Points Needed

The Village Board will need to determine the ultimate question of whether or not to allow some or any of the Cannabis business establishments to be allowed to operate within the Village.

If that answer to that ultimate question is "no", some simple amendments to the Zoning Ordinance would be needed to formalize this prohibition.

If that answer to that ultimate question is "yes", the following policy determinations will need to be made:

1. What types of Cannabis business establishments would be permitted;
2. What zoning district would they be allowed in;
3. Would they be permitted or special uses;
4. At what rate would they be taxed (0% to 3%);
5. What special regulations would be appropriate (hours of operations, proximity to other types of uses (e.g. schools, parks, playgrounds)) for the allowed Cannabis business establishments.

Depending upon the Village Board's desire to make such policy determinations, some actions (specifically those discussed above in the Code Changes Required) and either a moratorium on this matter (as referenced in the Village Manager's Cover Memo) or a final policy determination will need to be enacted prior to January 1,



**Cannabis Regulation and Tax Act
(410 ILCS 705/1-1 *et. seq.*)**

INTRODUCTION

Earlier this year the General Assembly passed the Cannabis Regulation and Tax Act (410 ILCS 705 *et. seq.*)(“Act”); the law takes effect on January 1, 2020 and legalizes the sale, possession and use of cannabis

This presentation will discuss the following:

- What is now lawful
- What remains unlawful in regards to cannabis
- How the Village can regulate the sale of cannabis
- Recommended next steps

POSSESSION AND USE

What is now lawful:

- Cannabis can now be possessed and consumed by Anyone over the age of 21
- Cannabis can only be of certain potency and weight (different levels for Illinois Residents vs. Non-Illinois Residents)
 - 30 grams of cannabis (in its raw form),
 - 5 grams of cannabis concentrate, or
 - cannabis infused products containing up to 500 milligrams of THC.
- Medical Card holders can grow up to 5 plants, 5 inches or more, for their own use or by use of other Medical Card holders

POSSESSION AND USE

What is still unlawful:

- Cannabis cannot be possessed:
 - on school grounds or on a school bus;
 - in a vehicle not open to the public unless the cannabis is in a reasonably secured, sealed container and reasonably inaccessible while the vehicle is moving;
- Cannabis cannot be consumed:
 - in any public place, which means “any place where a person could reasonably be expected to be observed by others.” “Public place” includes all parts of buildings owned in whole or in part, or leased, by the State or a unit of local government. “Public place” does not include a private residence unless the private residence is used to provide licensed childcare, foster care, or other similar social service care on the premises;

POSSESSION AND USE

What is still unlawful (con't):

- Cannabis cannot be consumed:
 - in any motor vehicle;
 - when knowingly used in close physical proximity to anyone under 21 years of age who is not a registered medical cannabis patient under the Compassionate Use of Medical Cannabis Pilot Program Act;
 - in any place where smoking is prohibited under the Smoke Free Illinois Act (includes most commercial businesses, offices, stores, restaurants, bars, government buildings, parks);
 - while operating, navigating, or being in actual physical control of any motor vehicle, aircraft, or motorboat while using or under the influence of cannabis;

POSSESSION AND USE

What is still unlawful (con't):

- Cannabis cannot be consumed:
 - by a law enforcement officer, corrections officer, probation officer, or firefighter while on duty;
 - by a person who has a school bus permit or a Commercial Driver's License while on duty;
 - when undertaking any task under the influence of cannabis when doing so would constitute negligence, professional malpractice, or professional misconduct;

WHERE CAN CANNABIS BE PURCHASED

Cannabis can only be purchased from state licensed facilities.

- The general public may only purchase cannabis from a Dispensing organization
 - similar to the medical marijuana dispensaries currently operating within the state.
- Dispensaries must receive a state license prior to operating. The state will issue:
 - no more than 75 conditional Dispensary licenses by 2020;
 - no more than 110 additional Dispensary licenses by 2021; and
 - no more than 500 total dispensary licenses by 2022

LOCAL REGULATION

What can Wilmette do:

- **General Business Regulations**

- The Village can enforce its general business registration requirements and can ensure compliance with all local building and public safety laws.

- **Zoning**

- The Village can **prohibit** or **substantially limit** any of the Cannabis business establishments (dispensary, cultivation centers, craft growers, infusers, processors, transporters) within its borders through zoning regulations.

LOCAL REGULATION

What can Wilmette do:

- Village can regulate cannabis through zoning controls.

The Village can:

1. Prohibit all cannabis establishments within the Village; or
2. Allow all uses or permit certain uses (dispensary vs. cultivation center);
 - Determine in which zoning districts such uses can be located;
 - Make such uses special uses;
 - Enact reasonable regulations not inconsistent with the Act;
(the Act already has some regulations in place such as hours of operation, security requirements, minimum staffing requirements)
 - Limit the total number of establishments within the Village;
 - Create minimum distances from other sensitive establishments
(e.g schools, parks, etc.)

TAXATION

What can Wilmette do:

- The Village can tax retail cannabis stores up to 3% of the sales of cannabis to consumers.

RECOMMENDED CODE AMENDMENTS

Code amendments are recommended regardless if such uses are to be prohibited or permitted.

- Amend the Zoning Ordinance to include the definitions of each type of Cannabis business establishment.
 - This would remove any attempt to deem an existing medical use (which must be allowed by law) as a recreational use establishment
- Amend the Village's own Smoke Free Ordinance as well as the Miscellaneous Offenses sections of the Village Code to make the Village Code consistent with the restrictions provided for the in Act and the Village's current regulation of the use of tobacco.

RECOMMENDED CODE AMENDMENTS

Code amendments are recommended regardless if such uses are to be prohibited or permitted.

- Adopt and enact the taxation ordinance, even if such cannabis uses are to be prohibited in the Village.

TAXATION ORDINANCE

Corporation Counsel is recommending a tax ordinance be placed within the Village Code regardless if such uses will be permitted or prohibited.

- Enacting a tax now (even if dormant) would be the best protection if there was a change to the Act.
 - General Assembly prohibited new cigarette taxes to be enacted in 1993.

There could be similar change in the law in the future. This tax, even if dormant, is intended to “grandfather” the Village’s ability to tax, even if such cannabis uses are prohibited at the outset.
 - Also if the General Assembly removed the Village’s right to zone out cannabis uses but still allowed taxation, the dormant ordinance would become active.

NEXT STEPS

At the next Village Board meeting Village staff will request that the Village Board:

- Refer to the Judiciary Committee sitting as a Special Zoning Committee hold a public hearing for the text amendments adding the new definitions to the zoning code be held;
- A draft ordinance amending the Miscellaneous Offenses provision of the Code be amended to include cannabis restrictions that are part of the Act be introduced;
- A draft ordinance creating a cannabis retail tax be introduced
- Discuss the various options provided for in the Manager's Memorandum

NEXT STEPS

At the next Village Board meeting
Village staff will request that the Village
Board:

- Permit the Sale of Recreational Cannabis
- Prohibit the Sale of Recreational Cannabis
- Adopt Moratorium Ordinance Pending Review or Referendum