THE CITY OF KANKAKEE
KANKAKEE COUNTY, ILLINOIS

ORDINANCE

NUMBER 2019-76

AN ORDINANCE AMENDING THE MUNICIPAL CODE OF THE CITY OF KANKAKEE, ILLINOIS ADDING CHAPTER 40 TO REGULATE ADULT-USE CANNABIS BUSINESS ORGANIZATIONS

CHASITY WELLS-ARMSTRONG, Mayor
ANJANITA DUMAS, R.M.C., City Clerk

MICHAEL PRUDE
CHERRY MALONE-MARSHALL
MICHAEL O'BRIEN
STACY GALL
DAVID CRAWFORD
LARRY OSENGA
DANITA SWANSON
JAMES A. FAFORD
TYLER D. TALL, SR.
CARMEN LEWIS
CHRISTOPHER CURTIS
MICHAEL COBBS
FRED TETTER
P. CARL BROWN

Aldermen

Published in pamphlet form by authority of the Mayor and City Clerk of the City of Kankakee on 12/16/2019
Odelson & Sterk, Ltd. – Counsel for City - 3318 West 95th Street - Evergreen Park, Illinois 60805

ORDINANCE NO. 2019-76

AN ORDINANCE AMENDING THE MUNICIPAL CODE OF THE CITY OF KANKAKEE, ILLINOIS ADDING CHAPTER 40 TO REGULATE ADULT-USE CANNABIS BUSINESS ORGANIZATIONS

WHEREAS, the City of Kankakee, Kankakee County, Illinois (the "*City*") is a home rule municipality pursuant to Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, and as such may exercise any power and perform any function pertaining to its government and affairs (the "*Home Rule Powers*"); and

WHEREAS, the Illinois Cannabis Regulation and Tax Act, 410 ILCS 705/1 et. seq., (the "*Act*") allows the City to enact reasonable regulations governing the time, place, manner, and number of cannabis business establishments; and

WHEREAS, the City Council finds it to be in the best interest of the City to meet the spirit and intent of the Act by addressing certain social equity objectives, such as reducing barriers to entry for individuals and communities most adversely impacted by the enforcement of cannabis related laws; and

WHEREAS, the City Council finds it to be in the best interest of the City to amend the Municipal Code of the City of Kankakee, Illinois to establish a Chapter regulating adult-use cannabis establishments.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Kankakee, Kankakee County, Illinois, by and through its home rule powers, as follows:

Section 1: That the above recitals and legislative findings are found to be true and correct and are hereby incorporated herein and made a part hereof, as if fully set forth in their entirety.

Section 2: The Municipal Code of the City of Kankakee is hereby amended by adding

the following Chapter:

CHAPTER 40: Adult-Use Cannabis Business Permits

ARTICLE I. IN GENERAL

Sec. 40-01. Definitions.

ACT: the Cannabis Regulation and Tax Act of Illinois and any subsequent amendments, 410 ILCS 705/1 et. seq.

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 Act, 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 Act, 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 Act, 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 Act, 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 Act, as it may be amended from time-to-time, and regulations promulgated thereunder.

ADULT-USE CANNABIS SOCIAL USE PERMIT: A permit provided by the cannabis control commissioner authorizing the consumption of cannabis in a specially designated area of a dispensary or retail tobacco store.

ADULT-USE CANNABIS SOCIAL USE SPACE: A specially designated area of a cannabis dispensary or retail tobacco store in which individuals 21 years of age or older may burn, smoke, or light cannabis, or otherwise ingest cannabis.

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

ADVERTISE: to engage in promotional activities including, but not limited to, newspaper, radio, internet and electronic media, and television advertising, the distribution of fliers and circulars, billboard advertising, and the display of window and interior signs. "Advertise" does not mean exterior signage displaying only the name of the cannabis business establishment.

AGENT IN CHARGE: as required by the Act, a full-time agent or principal officer of the cannabis business establishment that is responsible for opening and closing the establishment, delivery acceptance, oversight of sales and agents, recordkeeping, inventory, training, and compliance with State and local law.

APPLICANT: An individual or business seeking an Adult-Use Cannabis Business Permit from the City or a renewal of said permit.

CANNABIS: 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 cannabis flower, concentrate and cannabis infused products.

CANNABIS BUSINESS ESTABLISHMENT: An adult-use cannabis cultivation center, craft grower, processing organization, infuser organization, dispensing organization, transporting organization, or social use space.

CANNABIS BUSINESS PERMIT: An authorization issued by the Cannabis Control Commissioner permitting the cannabis business establishment to operate within the City.

CANNABIS CONCENTRATE: A product derived from cannabis that is produced by extracting cannabinoids, including tetrahydrocannabinol (THC), 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 and with the intended use of smoking or making a cannabis-infused product. The use of any other solvent is expressly prohibited unless and until it is approved by the Department of Agriculture.

CANNABIS CONTAINER: A sealed, traceable, container, or package used for the purpose of containment of cannabis or cannabis-infused product during transportation.

CANNABIS FLOWER: 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; including raw kief, leaves, and buds, but not resin that has been extracted from any part of such plant; nor any compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds, or resin.

CANNABIS-INFUSED PRODUCT: A beverage, food, oil, ointment, tincture, topical formulation, or another product containing cannabis or cannabis concentrate that is not intended to be smoked.

CANNABIS PARAPHERNALIA: equipment, products and materials which are intended to be used for planting, propagating, cultivating, growing, harvesting, manufacturing, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, concealing, ingesting, or otherwise introducing cannabis into the human body.

CLONE: a plant section from a female cannabis plant not yet rootbound, growing in a water solution or other propagation matric, that is capable of developing into a new plant.

DESIGNATED SMOKING ROOM: a designated area on the premises of a Cannabis ~~Business Establishment~~ dispensary or retail tobacco store where customers may smoke cannabis.

LIMITED ACCESS AREA: a ~~building~~, room, or other area under the control of a cannabis dispensing organization licensed under the Act and upon the licensed premises where cannabis sales occur with access limited to purchasers, dispensing organization owners and other dispensing organization agents, or service professionals conducting business with the dispensing organization.

MINOR: Any individual under the age of twenty-one (21) years old.

ORDINARY PUBLIC VIEW: within the sight line with normal visual range of a person, unassisted by visual aids, from a public street or sidewalk adjacent to real property, or from

within an adjacent property.

PERSON: a natural individual, firm, partnership, association, joint stock company, joint venture, public or private corporation, limited liability company, or a receiver, executor, trustee, guardian, or other representative appointed by order of any court.

RETAIL TOBACCO STORE: a retail establishment that derives more than 80% of its gross revenue from the sale of loose tobacco, plants, or herbs and cigars, cigarettes, pipes, and other smoking devices for burning tobacco and related smoking accessories and in which the sale of other products is merely incidental. Retail tobacco store does not include a tobacco department or section of a larger commercial establishment or any establishment with any type of liquor, food, or restaurant license.

TINCTURE: a cannabis infused solution, typically comprised of alcohol glycerin, or vegetable oils, derived either directly from the cannabis plant or from a processed cannabis extract. A tincture is not an alcoholic liquor as defined in the Liquor Control Act of 1934. A tincture shall include a calibrated dropper or other similar device capable of accurately measuring servings.

Sec. 40-02. Purpose and Applicability.

It is the intent of this Chapter to identify all cannabis business establishments within the City to ensure efficient delivery of City services and compliance with all social equity provisions, zoning, building, fire, and other applicable ordinances and regulations.

Sec. 40-03. Cannabis Business Permit Required.

All adult use cannabis establishments must obtain a Cannabis Business Permit (hereinafter "Permit") from the City of Kankakee in order to operate.

Sec. 40-04. Cannabis Business Permit Classifications

(a) An Adult-Use Cannabis **Dispensary** Business Permit issued under this section shall allow the Applicant to sell cannabis at retail in original packages for consumption off the permitted premises only. The City reserves the right to limit the number of adult-use cannabis dispensary business permits granted under this section.

(b) An Adult-Use Cannabis **Craft Grow** Business Permit issued under this section shall allow the Applicant 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. The City reserves the right to limit the number of adult-use cannabis craft grow business permits granted under this section.

(c) An Adult-Use Cannabis **Cultivation** Business Permit issued under this section shall allow the Applicant to cultivate, process, transport and perform necessary activities to provide cannabis and cannabis-infused products to licensed cannabis business

establishments. The City reserves the right to limit the number of adult-use cannabis cultivation business permits granted under this section.

(d) An Adult-Use Cannabis **Infuser** Business Permit issued under this section shall allow the Applicant to directly incorporate cannabis or cannabis concentrate into a product formulation to produce a cannabis-infused product. The City reserves the right to limit the number of adult-use cannabis infuser business permits granted under this section.

(e) An Adult-Use Cannabis **Processer** Business Permit issued under this section shall allow the Applicant to extract constituent chemicals or compounds to produce cannabis concentrate or incorporate cannabis or cannabis concentrate into a product formulation to produce a cannabis product. The City reserves the right to limit the number of adult-use cannabis processer business permits granted under this section.

(f) An Adult-Use Cannabis **Transportation** Business Permit issued under this section shall allow the Applicant to transport cannabis on behalf of a cannabis business establishment or a community college licensed under the Community College Cannabis Vocational Training Pilot Program. The City reserves the right to limit the number of adult-use cannabis transportation business permits granted under this section.

(g) Any cannabis dispenser that wishes to co-locate with a cultivator or craft grower must obtain both classifications of cannabis business permits, including the fees for each.

(h) An Adult-Use Cannabis **Social Use** Business Permit issued under this section shall allow the on-site consumption of cannabis in a specially designated area of a cannabis dispensary or retail tobacco store.

Sec. 40-05. General Provisions.

(a) A separate cannabis business permit shall be required for each location from which a cannabis business establishment is operated.

(b) A separate cannabis business permit shall be required for each permit classification from which a business establishment is operated.

(c) The cannabis business permit requirement shall be in addition to, and not in lieu of, any other licensing and permitting requirements imposed by any other Federal, State, or local law.

(d) To the extent that any State law conflicts with the provisions of this Chapter, State law shall control. To the extent the State has adopted or adopts in the future any additional or stricter laws or regulations governing the cultivation, manufacturing, testing, research, transportation, possession, sale, distribution, or use of cannabis or cannabis products, the additional or stricter regulation shall control the business establishments in the City.

(e) The cannabis business establishment and all owners, jointly and severally, agree to indemnify, defend, and hold harmless the City, its elected officials, employees, attorneys, agents, insurers and self-insurance pool against any liability, claims and demands on account of any injury, loss or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, or any other loss of any kind whatsoever arising out of or in any manner connected with the operation of the business that is the subject of the approval/permit.

(f) Receipt of a cannabis business permit constitutes consent by the cannabis business establishment and all owners, managers, and employees of the establishment to permit the cannabis control commissioner or his or her designee to conduct routine inspections of the permitted establishment to ensure compliance with this Chapter or any other applicable law, rule, or regulation.

Sec. 40-06. Requirements for Cannabis Business Permit.

(1) **State Law Compliance.** Compliance with all regulations provided in the Cannabis Regulation and Tax Act 410 ILCS 705/1 et. seq.

(2) **State License.** A valid operating license from the Illinois Department of Agriculture and/or Illinois Department of Financial and Professional Regulation, as required by law and where applicable.

(3) **Local Zoning Compliance.** Compliance with all applicable zoning restrictions, including obtaining a conditional use permit from the City Council.

(4) **Application.** Satisfactory completion of an Application for a Cannabis Business Permit, provided by the City, which shall include at a minimum:

a. If the owner is an Individual: the name, date of birth, home address, telephone number, email address, and a copy of a valid state identification of the person registering the business.

b. If the owner is a Partnership/Noncorporate Entity: the name, date of birth, home address, telephone number, email address, and a copy of a valid state identification for each partner, principal or member thereof.

c. If the owner is a Corporation: the name, date of birth, home address, telephone number, email address, and a copy of a valid state identification of each principal officer and registered agent thereof.

d. A statement as to whether any person listed in subsections a-c has ever had a license or permit for the same or similar business denied, suspended, or revoked and whether such persons held or currently holds an ownership interest in any other cannabis business establishments.

e. A statement as to whether the cannabis business establishment ~~qualifies as a~~ is a qualified social equity applicant by the State of Illinois, where applicable.

f. The legal name of the cannabis business establishment and any other names it may operate under.

g. The classification of the cannabis business establishment.

h. The volume of cannabis the establishment is authorized to store or cultivate, where applicable.

i. The location of the cannabis business establishment.

j. The name, address, date of birth, and copy of State issued Agent Identification for the designated agent in charge, where applicable.

k. The hours of operation for the cannabis business establishment.

(5) **Insurance**. Proof of the cannabis business establishment's valid worker's compensation insurance and general liability insurance with minimum limits of $1,000,000 per occurrence and a $2,000,000 aggregate limit.

(6) **Ownership**. Proof of the cannabis business establishment's ownership or legal possession of the proposed property. If the cannabis business establishment is not the owner of the premises, a copy of the valid lease and written authorization to the City from the owner to enter the property for inspection of the premises on a form approved by the City shall be provided.

(7) **Security Plan**. The cannabis business establishment's security plan which conforms to all State requirements under the Adult-Use Cannabis Regulation and Tax Act and local ordinances.

(8) **Diversity Plan**. The cannabis business establishment's diversity plan describing how it will diversify ownership, management, employment, and contracting to ensure that diverse participants and groups are afforded equality of opportunity.

(9) **Site Plan**. A copy of the site plan submitted to the Zoning Board with locations of cameras, motion detectors, alarm system, servers, points of sale, ingress and egress points, storage safe, accessibility features for persons with disabilities, air treatment systems, signage, lighting, parking spaces, handicapped accessible parking spaces, restricted areas, and any proposed social use spaces.

(10) **Utility Plan**: The cannabis business establishment's utility plan containing estimates of monthly electricity, gas, water, refuse, and recycling needs, proposed sources of electricity, gas, water, refuse, and recycling, and any policies for

sustainable energy use and conservation, sustainable water use and conservation, and/or recycling.

(11) **Inspection.** An inspection and approval of the proposed adult use cannabis business establishment by the City in order to establish the premises complies with all City occupancy and building code requirements.

(12) **Executed Cannabis Business Impact Agreement**. The cannabis business establishment shall execute a Cannabis Business Impact Agreement with the City as outlined in this Chapter.

(13) **Permit Application Fee**. The permit application fee shall be non-refundable in the amount of $1500.00.

Sec. 40-07. Permit Process.

(a) All applications for a cannabis business permit and supporting documentation shall be referred to the cannabis control commissioner who shall issue a cannabis business permit if the cannabis business establishment complies with all applicable provisions of this chapter.

(b) If after consideration of all the application materials, inspectional reports, and any other relevant information, the Mayor determines the business is not eligible for a cannabis business permit, he or she shall issue a written notice of denial citing the bases for denial, to the applicant within 10 days.

Sec. 40-08. Non transferability.

A cannabis business permit is not transferable or assignable, including without limitation, nontransferable to a different location, to a different type of business establishment, to a different cannabis business permit classification, or to a different owner.

Sec. 40- 09. Renewal.

A cannabis business permit is valid for one year from the date of issuance. A cannabis business establishment must submit a renewal application, provided by the City, at least sixty (60) days prior to the permit expiration date and provide all required documents, pass inspection, and pay the renewal fee, in order to obtain a renewed cannabis business permit.

Sec. 40-10. Discontinuance of Permit.

Any cannabis business establishment under this Chapter shall remove all material, cannabis products, equipment, signs, and other paraphernalia prior to the expiration of its permit or immediately following revocation or voiding of its permit. If the cannabis business establishment discontinues use, he or she shall immediately notify the Cannabis Control

Commissioner, and the Kankakee police Department. A bond shall be posted in an amount determined by the Cannabis Control Commissioner but not exceeding $5000, insuring compliance with this Section.

Sec. 40-11. Permit Fees

Cannabis Business Establishment	Yearly Fee
Cannabis Dispensary	$1000
Cannabis Cultivation Center	$2000
Cannabis Craft Grower	$750
Cannabis Infuser	$500
Cannabis Processor	$500
Cannabis Transporter	$750
Cannabis Social Use Space	$2000

Sec. 40-12– 40-19. Reserved.

ARTICLE II: CANNABIS CONTROL COMMISSIONER

Sec. 40-20. Cannabis Control Commissioner

The Mayor or his or her designee shall be the Cannabis Control Commissioner.

Sec. 40-21. Cannabis Control Commissioner Duties.

The Cannabis Control Commissioner or his or her designee shall have the power to:

(1) Prescribe forms, determine fees, and adopt rules for the administration and enforcement of this Chapter.

(2) Accept, examine, inspect, and review applications for cannabis business permits to determine their completeness, and notify cannabis business establishments of any additional documents or information needed to determine whether a cannabis business permit will be issued or renewed.

(3) Investigate Applicants for initial and renewed cannabis business permits.

(4) Examine Applicants, permit holders, or witnesses under oath, hear testimony, issue subpoenas, and take evidence in any proceeding for the suspension, discipline, revocation, or nonrenewal of a cannabis business permit.

(5) Examine, inspect, and investigate the premises, operations, and records of adult use cannabis business permit holders.

(6) Conduct investigations of possible violations of State and City law.

(7) Enter, or authorize any law enforcement officer to enter, at any time upon any permitted premises to determine whether the cannabis business establishment complies with all State and City regulations.

(8) Issue citations and levy fines for minor violations.

(9) Institute proceedings and revoke, suspend, or discipline any cannabis business permit after notice and hearing for any reason enumerated below.

(10) Impose conditions upon social use permits.

(11) Propose and negotiate terms of Impact Agreements.

Sec. 40-22. Denial, Nonrenewal, Suspension, Revocation of a Cannabis Business Permit

The cannabis control commissioner may deny, refuse to renew, reprimand, suspend or revoke a cannabis business permit for any of the following reasons:

(1) Violation of the laws of the State of Illinois, or any City Ordinance.

(2) Revocation or suspension of the Adult-Use Cannabis Business State license.

(3) Any adverse finding by the Department of Agriculture or Illinois Department of Financial and Professional Regulation.

(4) Willfully making any false statement as to material fact in the application for a permit.

(5) Any material breach of the Cannabis Business Impact Agreement.

(6) A pattern of conduct that demonstrates incompetence or that the permit holder has engaged in conduct or actions that would constitute grounds for discipline under the Adult-Use Cannabis Regulation and Taxation Act.

(7) Refusing to allow the Cannabis Control Commissioner, his or her designee, or any member of law enforcement or inspectional services to enter and inspect the permitted establishment or refusing to cooperate in an investigation.

(8) Engaging in unprofessional, dishonorable, or unethical conduct of a character likely to deceive, defraud, or harm the public.

(9) Failure to report to the Commission within 14 days of any adverse action taken against the establishment by any jurisdiction in any State, Federal, or Foreign jurisdiction or any governmental or law enforcement agency.

(10) Failure to report any theft or security breach to City law enforcement within 24 hours.

(11) A violation of the policies and plans submitted to the Commission as a condition for permit.

(12) Operating without a permit.

(13) Any fact or condition that, if had existed at the time of the original application for the permit would have warranted the denial of the permit.

(14) Failure to provide sufficient personnel to properly operate the business.

(15) Failing to comply with any conditions imposed on a social use permit.

(16) Any outstanding debt owed to the City by the cannabis business establishment or any of its owners, partners, officers, or board members, including any taxes, fees, or penalties.

Sec. 40-23. Notice and Hearing

(a) Prior to taking any action against a cannabis business permit, and at least thirty days prior to hearing, the cannabis control commissioner shall issue by regular and electronic mail, a written notice containing the charges made, date, time, and location of the hearing.

(b) If the permit holder fails to file an answer, the cannabis control commissioner has the discretion to impose any disciplinary measure he or she deems proper.

(c) The cannabis control commissioner has the authority to subpoena and administer oaths to witnesses, hear the charges, approve negotiated consent orders, and shall issue a written order and serve it upon the permit holder by regular ~~or~~ and electronic mail within 30 days.

Sec. 40-24. Appeal.

(a) Any cannabis business establishment that is denied a certificate of registration or whose certificate of registration was declined to be renewed, suspended, or revoked has the right to appeal to the City Council.

(b) Such person shall file a written statement setting forth the grounds for the appeal.

(c) The City Council shall review the written statement and set a date and time for hearing. Notice shall be provided to the appealing person by regular and electronic mail to the address listed on the written statement within 10 days prior to hearing.

(d) The City Council shall vote by a majority of members as to whether to sustain the decision

being appealed.

Sec. 40-25-40-29. Reserved.

ARTICLE III. SOCIAL EQUITY; IMPACT FEE AGREEMENTS

Sec. 40-30. Purpose.

Keeping with the spirit and intent of the Act, The City seeks to establish a legal cannabis industry within its borders that is equitable and accessible to those most adversely impacted by the enforcement of drug related laws in the state of Illinois. The City seeks to reduce barriers to entry for individuals and communities most adversely impacted by the enforcement of cannabis related laws. The City recognizes that individuals who have been arrested or incarcerated due to drug laws and their family members suffer long lasting negative consequences, including impacts to employment, business ownership, housing, health, and long-term financial well-being.

Sec. 40-31. Social Equity Applicants.

Those applicants for City Cannabis Business Permit who qualified as social equity applicants for State licensing purposes, pursuant to the Adult Use Cannabis Regulation and Tax Act, shall pay 75% of the application fee and annual renewal fee and shall be exempt from the impact fee.

The Act defines social equity applicants as an applicant for a State license that is an Illinois resident that meets one 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:
   a. have been arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement under this Act; or
   b. 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:
   a. currently reside in a Disproportionately Impacted Area; or
   b. have been arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement under this Act or member of an impacted family.

The Act defines disproportionately impacted areas as a census tract or comparable geographic area that satisfies the following criteria as determined by the State Department of Commerce and Economic Opportunity that:

(1) Meets at least one of the following criteria:

a. The area has a poverty rate of at least 20% according to the latest federal decennial census; or

b. 75% or more of the children in the area participate in the federal free lumch program according to reported statistics from the State Board of Education; or

c. At least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program; or

d. The area has an average unemployment rate, as determined by the Illinois Department of Employment Security, that is more than 120% of the national unemployment average, as determined by the United States Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application; and

(2) Has high rates of arrest, conviction, and incarceration related to the sale, possession, use, cultivation, manufacture, or transport of cannabis.

Sec. 40-32. Cannabis Business Impact Agreement

The City also anticipates that it will incur additional expenses and impacts upon the City's road systems, utility services, public safety services, educational system, inspectional services, and permitting services. In order to minimize the burdens on the City and establish a diverse and equitable cannabis business industry, Applicants for Permits must execute a Cannabis Business Impact Agreement.

All applicants for cannabis business permits shall enter into a Cannabis Impact Agreement with the City setting forth conditions which shall include, but not be limited to:

(a) Preference to City residents, minorities, women, veterans, and people with disabilities for employment and contracts.

(b) Community support

(c) Security Requirements

(d) Impact Fees

Sec. 40-33. Impact Fees.

(a) In order to mitigate the financial impact upon the City and remedy the harms resulting from the disproportionate enforcement of cannabis-related laws, the City shall require impact fees from cannabis business establishments to be used for social equity programs including, but not limited to, employment training programs, expungement assistance, community investment, violence reduction, economic development, infrastructure, law enforcement, public health and addiction services.

(b) These impact fees are waived for those individuals that have qualified as social equity applicants by the applicable State licensing Department.

Sec. 40-34 – 40-38. Reserved.

ARTICLE IV. ADULT-USE CANNABIS BUSINESS REGULATIONS

Sec. 40-39. Purpose

It is the intent of this Article to establish reasonably rules governing the time, place, and manner of operation of cannabis business establishments within the City.

State Law Reference: 410 ILCS 705/55-25(2)

Sec. 40-40. Permit Required.

(a) It shall be unlawful to operate any adult-use cannabis business establishment in the City without first obtaining the proper cannabis business permit pursuant to the requirements of this Chapter.

(b) It shall be unlawful for any person to conduct business activities outside those permitted by their cannabis business permit classification or State issued license.

Sec. 40-41. Compliance with Plans in Permit Application.

Every permit holder shall operate in accordance with the representations made in its application and permit materials.

State Law Reference: 410 ILCS 705/15-70(a)

Sec. 40-42. Consumption of Cannabis on Premises.

The use, consumption, ingestion or inhalation of cannabis within any cannabis business establishment is unlawful unless the establishment also holds a valid cannabis social use permit.

Sec. 40-43. Hours of Operation.

(a) It shall be unlawful for a cannabis business establishment to open earlier than 6:00 a.m.

(b) It shall be unlawful for an adult use cannabis business establishment to close later than 10:00 p.m.

(c) Hours of operation shall apply to all sales, delivery, and dispensing activities for the business.

(d) No cannabis business establishment shall permit any person other than himself or employees to remain in the premises where cannabis is offered for sale, longer than thirty (30) minutes after the closing hour.

State Law Reference: 410 ILCS 705/15-70(j)

Sec. 40-44. Inspections

It shall be unlawful for a cannabis business establishment to refuse entry or otherwise refuse inspection by the Mayor, his or her designee, any member of law enforcement or inspectional services.

State Law Reference: 410 ILCS 705/15-135(a); 20-30(g); 30-30(h); 35-25(g)

Sec. 40-45. Advertising

(1) It shall be unlawful for a cannabis business establishment or any other person or entity to engage in advertising that is false or misleading, promotes overconsumption of cannabis or cannabis products, depicts the actual consumption of cannabis or cannabis products, depicts a person under 21 years of age consuming cannabis, makes any health, medicinal, or therapeutic claims about cannabis or cannabis infused products, includes the image of a cannabis leaf or bud, includes any image designed or likely to appeal to minors, including cartoons, toys, animals, or children or any other likeness to images, characters, or phrases that is designed in any manner to be appealing to or encourage consumption by persons under 21 years of age.

(2) It shall be unlawful for a cannabis business establishment or any other person or entity to place or maintain an advertisement of cannabis or a cannabis infused product in any form or through any medium:

(a) Within 1000 feet of the perimeter of school grounds, a playground, a recreation center or facility, a child care center, a public park or public library, or a game arcade.

(b) On or in a public transit vehicle or public transit shelter.

(c) On or in publicly owned or publicly operated property.

State Law Reference: 410 ILCS 705/55-20

Sec. 40-46. Inventory.

It shall be unlawful for a cannabis business establishment to maintain any more cannabis within the establishment than the amount stated on the cannabis business establishment's State license.

Sec. 40-47. Agent Identification Cards

It shall be unlawful for employees of a cannabis business establishment to engage in any employment activity for the establishment unless he or she possesses a valid identification card issued by the Illinois Department of Financial and Professional Regulations or the Illinois Department of Agriculture. A copy of the valid identification card shall be forwarded to the cannabis control commissioner and updated as the card is renewed, suspended, revoked, or the employee is terminated.

Sec. 40-48. Persons Not Allowed on Premises

It shall be unlawful to allow any person under the age of twenty-one (21) years old to enter or loiter about any cannabis business establishment registered under this article.

Sec. 40-49. Identification Required.

All cannabis business establishments shall require adequate valid government issued identification from every individual, with the exception of employees, entering the facility which shows the individual's photo and date of birth.

Sec. 40-50. Security.

All components of the cannabis business establishment's security system shall be in good working order, monitored, and secured twenty-four (24) hours per day.

State Law Reference: 410 ILCS 705/15-100(h)(1)

Sec. 40-51. Report to City Police.

Every Cannabis business establishment must promptly, within 24 hours, document and report any loss, theft, security breach, or criminal activity to the City Police, in addition to any other requirements of State law.

State Law Reference: 410 ILCS 705/15-65(f); 20-30(h); 30-30(i); 35-25(h); 40-25(e)

Sec. 40-52. Control of Emissions.

(a) Sufficient measures and means of preventing smoke, odors, debris, dust, fluids, and other

substances from exiting a cannabis business establishment must be provided at all times.

(b) The cannabis business establishment shall properly dispose of all such materials, items, and other substances in a safe, sanitary and secure manner and in accordance with all applicable Federal, State, and local laws and regulations.

Sec. 40-53. Visibility of activities.

All activities of any cannabis business establishment, shall be conducted indoors and out of ordinary public view. All cultivation of cannabis must take place in an enclosed, locked facility at the address provided in the permit application.

Sec. 40-54. Discontinuance of cannabis business establishment.

Any registered cannabis business establishment under this Chapter shall remove all material, cannabis products, equipment, signs, and other paraphernalia prior to the expiration of its certificate of registration or immediately following revocation or voiding of its certificate of registration. If the cannabis business establishment discontinues use, he or she shall immediately notify the responsible City official. A bond shall be posted in an amount determined by the City, but not exceeding $5000, insuring compliance with this Section.

Sec. 40-55. Nuisance.

It shall be unlawful for a Cannabis Business Establishment to be so conducted or operated as to constitute a nuisance. No building, vehicle, structure, yard, lot, premises, or part thereof shall be used, kept, maintained, or operated in connection with a business, occupation or the establishment so as to occasion any nuisance or so as to be dangerous to life or detrimental to health.

Sec. 40-56-40-69: Reserved.

ARTICLE V: ADDITIONAL REGULATIONS FOR ADULT USE CANNABIS DISPENSARIES

Sec. 40-70. Purpose.

Adult use cannabis dispensaries create additional concerns for the health, safety, and welfare of the citizens of the City. It is the intent of this Article to provide additional reasonable regulations for adult use cannabis dispensaries. All regulations for cannabis business establishments also apply to Cannabis dispensaries.

Sec. 40-71. Agent-in-Charge.

The cannabis dispensary agent-in-charge shall be registered with the City. The cannabis dispensary shall notify the City of any change to the agent-in charge within 10 days.

State Law Reference: 410 ILCS 705/15-95

Sec. 40-72. Sale, Delivery to Minor Prohibited.

It shall be unlawful for any cannabis dispensary to give, sell, or deliver to any minor, directly or indirectly, any cannabis unless authorized by the Compassionate Use of Medical Cannabis Program.

State Law Reference: 410 ILCS 705/10-15

Sec. 40-73. Identification Required.

It shall be unlawful for any agent or employee of a cannabis business establishment to sell or furnish cannabis to a person under the age of 21, unless the agent or employee was shown adequate written evidence of age and identity.

State Law Reference: 410 ILCS 705/10-20(e)

Sec. 40-74. Accepting False Identification.

It shall be unlawful for any agent or employee of a cannabis business establishment to accept written evidence of age and identity knowing it to be false or fraudulent.

State Law Reference: 410 ILCS 705/10-20(e)

Sec. 40-75. Prohibition of sale of certain products.

It shall be unlawful for a cannabis dispensary to sell:

(1) Cannabis seeds, except to those showing valid identification as a qualifying patient under the Compassionate Use of Medical Cannabis Program Act.

(2) Clones or other live plant material.

(3) Any products containing alcohol, with the exception of tinctures as allowed by State law.

State Law Reference: 410 ILCS 705/15-70(d); 15-70(n)(16)

Sec. 40-76. Inoperative Equipment.

It shall be unlawful for a cannabis dispensary to operate if the point of sale equipment, video surveillance, or State electronic verification system is inoperative.

State Law Reference: 410 ILCS 705/15-70(n)(11-12)

Sec. 40-77. Minimum Employees.

It shall be unlawful for a cannabis dispensary to operate if less than two licensed employees are present.

State Law Reference: 410 ILCS 705/15-70(n)(14)

Sec. 40-78. Methods of Sale Prohibited.

It shall be unlawful for a cannabis dispensary to dispense cannabis through vending machines, drive-through windows, or delivery services.

State Law Reference: 410 ILCS 705/15-70(n)(7-10)

Sec. 40-79. Payment Required.

It shall be unlawful for a cannabis dispensary to give away without payment, directly or indirectly any cannabis either by the owner or through any servant, agent, employee, or person on his or her behalf. Cannabis business establishments holding a valid social use permit may allow sampling of edible cannabis.

Sec. 40-80. Purchase in Person Required.

It shall be unlawful for a cannabis dispensary to conduct any retail sales of cannabis that are not made in person at the designated location within the dispensary.

Sec. 40-81. Activities across State Lines Prohibited.

(a) It shall be unlawful for a cannabis dispensary to obtain cannabis from outside the State of Illinois.

(b) It shall be unlawful for a cannabis dispensary to transport cannabis outside the State of Illinois.

Sec. 40-82. Visibility of Products.

It shall be unlawful for any retail cannabis, cannabis products, or paraphernalia to be displayed or kept in a cannabis dispensary so as to be visible by ordinary public view.

Sec. 40-83. Packaging

It shall be unlawful for a cannabis dispensary to sell any cannabis without the legal name

of the dispensary on the packaging of the product.

State Law Reference: 410 ILCS 705/15-70(b)

Sec.40- 84. Acceptance of Cannabis.

(a) It shall be unlawful for a cannabis dispensary to accept cannabis deliveries through public or limited access areas. All deliveries must be accepted into a restricted access area.

(b) It shall be unlawful for a cannabis dispensary to accept cannabis from a cultivation center, craft grower, infuser, dispensary or transporter unless it is prepackaged and labeled.

State Law Reference: 410 ILCS 705/15-70(f); 15-70(n)(2)

Sec. 40-85. Sale of Cannabis Paraphernalia.

Devices, contrivances, instruments, and paraphernalia for inhaling or otherwise consuming cannabis, including but not limited to, rolling papers and related tools, water pipes, and vaporizers may lawfully be sold at adult use cannabis business dispensaries.

Sec. 40-86. Storage

(a) During hours of operation, all cannabis shall be stored in an enclosed locked room or cabinet and accessible only to specifically authorized dispensing organization agents.

(b) When the dispensary is closed, all cannabis and currency shall be stored in a reinforced vault room in the restricted access area and in a manner as to prevent diversion, theft, or loss.

(c) No outside storage of cannabis, cannabis products, related supplies, or educational materials is permitted.

State Law Reference: 410 ILCS 705/15-80

Sec. 40-87. Signage and Warnings.

(a) All signage and advertising shall comply with all applicable State and local ordinances.

(b) A dispensing organization must post the following information in a conspicuous location in an area of the dispensary accessible to consumers, as required by State law:

(4) The dispensing organization's State license

(5) The dispensing organization's Certificate of Registration issued by the City.

(6) The hours of operation

(7) A placard that states, "Cannabis consumption can impair cognition and driving, is for adult use only, may be habit forming, and should not be used by pregnant or breastfeeding women", as required by State law.

(8) If applicable, a placard that states, "Edible cannabis infused products were produced in a kitchen that may also process common food allergens"

(9) If applicable, a placard that states, "The effects of cannabis products can vary from person to person, and it can take as long as two hours to feel the effects of some cannabis-infused products. Carefully review the portion size information and warnings contained on the product packaging before consuming."

(10) Notice that certain activities are strictly prohibited and punishable by law, including but not limited to:

a. No minors permitted on the premises unless the minor is a minor qualifying patient under the compassionate use of medical cannabis pilot program act.

b. Distribution to persons under the age of 21 is prohibited.

c. Transportation of cannabis or cannabis products across state lines is prohibited.

(11) A posted sign identifying the restricted access area "Do not Enter-Restricted Access Area-Authorized Personnel Only"

State Law Reference: 410 ILCS 705/15-65(g)

Sec. 40-88 – 40-99: Reserved.

ARTICLE VI: ADDITIONAL REGULATIONS FOR ADULT USE CANNABIS TRANSPORTERS

Sec. 40-100. Purpose

Adult use cannabis transporters create unique concerns for the health, safety, and welfare of the citizens of the City. It is the intent of this Article to provide additional reasonable regulations for adult use cannabis transporters. All regulations for cannabis business establishment also apply to cannabis transporters.

Sec. 40-101. Transporting Agents.

A cannabis transporting organization agent must keep his or her identification card visible at all times when on the property of a cannabis business establishment and during the transportation of cannabis when acting under his or her duties as a cannabis transporting organization agent and must provide the identification card upon request to any law enforcement officer engaged in his or her official duties.

State Law Reference: 410 ILCS 705/40-25(j)

Sec. 40-102. Presence of other Individuals Prohibited.

It shall be unlawful for any person or individual who is not a licensed cannabis transporting organization agent to be present in a commercial vehicle or trailer engaged in the transportation of cannabis for a cannabis transporter.

State Law Reference: 410 ILCS 705/40-25(g)

Sec. 40-103. Presence of Minors Prohibited.

It shall be unlawful for anyone under the age of twenty one (21) years old to be present in a commercial vehicle or trailer engaged in the transportation of cannabis as a cannabis transporter.

State Law Reference: 410 ILCS 705/40-25(f)

Sec. 40-104. Transportation to Designated Locations.

It shall be unlawful for a cannabis transporter or cannabis transporting organization agent to transport cannabis anywhere other than to a cultivation center, craft grower, infuser organization, dispensing organization, testing facility, or otherwise authorized by law.

State Law Reference: 410 ILCS 705/40-25(b)

Sec. 40-105. Commercial Vehicle Requirements.

It shall be unlawful for an adult use cannabis transporter or cannabis transporting organization agent to use a commercial motor vehicle with a weight rating over 10,001 pounds.

State Law Reference: 410 ILCS 705/40-25(h)

Sec. 40-106. Registration and Manifest Required.

It shall be unlawful for an adult use cannabis transporter or cannabis transporting organization agent to operate as a cannabis transporter without a copy of the registration and manifest for the cannabis delivery in the vehicle.

State Law Reference: 410 ILCS 705/40-25(k)

Sec. 40-107. Visibility of Activities.

(a) It shall be unlawful for an adult use cannabis transporter or cannabis transporting organization agent to transport cannabis so it is visible or recognizable from outside the vehicle.

(b) It shall be unlawful for a vehicle transporting cannabis to bear any markings to indicate the vehicle contains cannabis or bear the name or logo of the cannabis business establishment.

State Law Reference: 410 ILCS 705/40-25(l-m)

Sec. 40-108. Secured Cannabis.

It shall be unlawful for an adult use cannabis transporter or cannabis transporting organization agent to transport cannabis unless it is stored in an enclosed, locked, storage compartment that is secured or affixed to the vehicle.

State Law Reference: 410 ILCS 705/40-25(n)

Sec. 40-109-40-119. Reserved.

ARTICLE VII. ADDITIONAL REGULATIONS FOR CANNABIS SOCIAL USE SPACES

Sec. 40-120. Purpose.

Cannabis social use spaces create unique concerns for the health, safety, and welfare of the citizens of the City. It is the intent of this Article to provide additional reasonable regulations for cannabis social use spaces. All regulations for cannabis business establishment also apply to cannabis social use establishments.

State Law Reference: 410 ILCS 705/55-25(3)

Sec. 40-121. Ventilation Standards

Specially designated areas that allow the burning, smoking, or lighting of cannabis must meet the following ventilation standards:

(1) The specially designated area must have a separate heating, ventilation, and air-conditioning (HVAC) system that, at a minimum, eliminates all odor and smoke.

(2) The air from a specially designated area must be directly exhausted to the outdoors by a filtration system that, at a minimum, eliminates all odor and smoke.

(3) Smoke from the specially designated area must not drift to other portions of the premises.

(4) The specially designated area must be completely separate from the remainder of the premises by solid partitions or glazing without openings other than doors, and all doors leading to the specially designated area must be self-closing. All doors to the specially designated area must be installed with a gasket to provide a seal with the door meets the stop.

Sec. 40-122. Consumption consistent with permit.

It shall be unlawful for a cannabis social use space to allow the on-site consumption of cannabis in a manner inconsistent with any permit conditions imposed by the cannabis control commissioner.

Sec. 40-123. Hours of operation.

It shall be unlawful for a cannabis social use space to allow the on-site consumption of cannabis outside the business's operating hours.

Sec. 40-124. Minors prohibited.

It shall be unlawful for a cannabis social use space to allow the entry or on-site consumption of cannabis by anyone under the age of twenty-one (21) years old.

Sec. 40-125. Visibility to Public.

It shall be unlawful for a cannabis social use space to allow the on-site consumption of cannabis to be visible from any public place or non-age-restricted area.

Sec. 40-126. Alcohol Prohibited.

It shall be unlawful for a cannabis social use space to allow the sale or consumption of alcohol or tobacco products in the social use space.

Sec. 40-127. Change in Social Use Space.

It shall be unlawful for a cannabis social use space to expand, enlarge, or materially modify the social use space without the written approval of the cannabis control commissioner.

Sec. 40-128. Signage.

Each cannabis social use space shall post one or more notices of sufficient size, lettering, and prominence to advise customers that the consumption of cannabis products on the sidewalk, in areas adjacent to the premises, and in areas visible to the public is prohibited.

Sec. 40-128-40-139: Reserved.

ARTICLE VIII. VIOLATIONS

Sec. 40-140. Violations.

(a) Any violation of this Chapter shall be deemed an ordinance violation and subject to administrative adjudication as provided for in Chapter 36 of the Kankakee Municipal Code.

(b) Every act or omission constituting a violation of any of the provisions of this Chapter, by any officer, director, manager, agent, or employee of any cannabis business establishment shall be deemed and held to be the act of such employer or permit holder, and the employer or permit holder shall be subject to punishment in the same manner as if the act or omission had been done or omitted by him personally.

(c) Any violation of the terms and conditions of a Conditional Use Permit or any section of the Zoning Ordinance that is not abated within seven (7) days after proper notice shall be subject to a fine of $500.00 per violation per day.

Section 3: If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity thereof shall not affect any other provision of this Ordinance.

Section 4: All ordinances, resolutions, motions or orders in conflict with this Ordinance are hereby repealed to the extent of such conflict.

Section 5: This Ordinance shall be in full force and effect upon its passage, approval and publication as provided by law.

Intentionally left blank.

ADOPTED by the Mayor and City Council of the City of Kankakee, Kankakee County, Illinois this 16th day of December 2019, pursuant to a roll call vote, as follows:

	YES	NO	ABSENT	PRESENT
PRUDE	X			
MALONE-MARSHALL	X			
O'BRIEN	X			
GALL	X			
CRAWFORD		X		
OSENGA		X		
SWANSON	X			
FAFORD		X		
TALL	X			
LEWIS	X			
CURTIS		X		
COBBS	X			
TETTER	X			
BROWN	X			
MAYOR WELLS-ARMSTRONG				
TOTAL	10	4		

APPROVED by the Mayor of the City of Kankakee, Kankakee County, Illinois on this 16th day of December 2019.

CHASITY WELLS-ARMSTRONG
Mayor

Anjanita Dumas, R.M.C., City Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF KANKAKEE)

CERTIFICATION

I, Anjanita Dumas, do hereby certify that I am the duly qualified and elected Clerk of the City of Kankakee, Kankakee County, Illinois, and that as such Clerk I do have charge of and custody of the books and records of the City of Kankakee, Kankakee County, Illinois.

I do hereby further certify that the foregoing is a full, true and correct copy of Ordinance No. 2019- 76 , **AN ORDINANCE AMENDING THE MUNICIPAL CODE OF THE CITY OF KANKAKEE, ILLINOIS TO ALLOW FOR ADULT-USE CANNABIS BUSINESS PERMITS** adopted and approved by the Mayor and City Council of the City of Kankakee, Illinois on December 16, 2019.

IN WITNESS WHEREOF, I have hereunto affixed my hand and the Corporate Seal of the City of Kankakee, Kankakee County, Illinois this 16th day of December 2019.

Anjanita Dumas, R.M.C.
City Clerk
City of Kankakee