

MML: 9/3/19
*9/16/19

THIS ORDINANCE MAY BE CITED AS
VILLAGE ORDINANCE NUMBER

19-9-C-

**AN ORDINANCE AMENDING THE SKOKIE VILLAGE CODE
BY ADDING CHAPTER 11 PERTAINING TO CANNABIS
RETAIL SALES LICENSING**

WHEREAS, the State of Illinois enacted the Cannabis Regulation and Tax Act, Illinois Public Act 101-0027 (hereinafter "Act") which pertains to the possession, use, cultivation, transportation and dispensing of adult-use cannabis which became effective June 25, 2019; and

WHEREAS, the State of Illinois retains sole authority to regulate the use of cannabis and therefore municipalities cannot legislate concerning the use of cannabis in their communities if it is in conflict with the State of Illinois; and

WHEREAS, the State of Illinois authorizes municipalities to enact legislation concerning the retail sales of cannabis and such legislation may include location, zoning and related activity; and

WHEREAS, the Village of Skokie (hereinafter "Skokie") desires to encourage economic development within Skokie and recognizes that the sale of cannabis will bring purchasers from outside of Skokie and that a dispensary as a destination will benefit other business in Skokie; and

WHEREAS, while cannabis sales will provide new revenue to Skokie from the growth of cannabis sales, Skokie will be sensitive and cautious as to the location of a cannabis dispensary in terms of the presence of children and will limit the number of cannabis retail sales licenses to two (2) stand-alone buildings and;

WHEREAS, it is recommended to the Mayor and Board of Trustees that the Skokie Village Code be amended by adding Chapter 11; and

WHEREAS, the Mayor and Board of Trustees at a public meeting duly held on September 19, 2019, concurred in the aforesaid recommendation of the Village Manager and Corporation Counsel; and

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Board of Trustees of the Village of Skokie, Cook County, Illinois;

Section 1: That the Skokie Village Code be and the same is hereby amended in the manner hereinafter indicated. The new material is **highlighted in bold**.

Chapter 11 - CANNABIS

ARTICLE I. - IN GENERAL

Sec. 11-1. Scope.

This chapter shall apply to the service, distribution, sale, including but not limited to any transaction of retail sale of cannabis, within the Village of Skokie.

Sec. 11-2. Interpretation of chapter.

This chapter shall be liberally construed to the end that the health, safety and welfare of the residents of Skokie shall be protected and temperance in the use and consumption of cannabis shall be fostered and promoted.

Sec. 11-3. Definitions.

Unless the context shall otherwise require, or unless defined in the Skokie Code, including this chapter, terms used in this chapter shall have the definitions given in the Act, as amended from time to time. Where not otherwise qualified, the term license or licensee wherever used in this chapter means a license or licensee of Skokie under this chapter.

Cannabis means any form or variety of cannabis as defined by the Act and for purposes of this chapter shall include all forms of cannabis, including contained within edible products.

Cannabis Commissioner means the individual with the authority to oversee and implement the provisions of this Chapter, including the awarding of licenses. The Cannabis Commissioner shall be the Mayor of Skokie, or designee.

Operation Plan means an addendum to the Skokie Cannabis Dispensary Application which shall include, but not be limited to the following information and as requested by and approved by the Cannabis Commissioner as part of the application process:

- a) A floor plan including where the sale of cannabis shall take place in the establishment and where the designated area for storage and delivery shall be,
- b) The types of cannabis that will be offered for sale and the hours of service and method of packaging and delivery to customers;
- c) The location for the checking of identification to determine the customers' age;
- d) Security methods and systems; and the location of medical purchases.

Underage person as used in this Chapter, shall mean any person less than 21 years of age.

Sec. 11-4. Penalties.

1 Whenever in this Code, in any ordinance, or in any rule or regulation of the
2 Village of Skokie, any act is prohibited or is declared to be unlawful or an offense, or
3 whenever in this Code, any ordinance, or any rule or regulation, the performance of
4 any act is required or the failure to perform any act is declared to be unlawful or an
5 offense, where no specific penalty is provided therefor, any person upon the
6 violation of any ordinance shall be punished by a fine not to exceed that which is
7 allowed, according to Illinois Municipal Code and the Illinois state law, for each such
8 offense. The Corporation Counsel may file a civil action to recover any penalty or fine
9 against any such person, or entity.

10 **Sec. 11-5. Underage person; prohibition.**

11 (a) *Prohibited.* No licensee, or any officer, associate, member, representative, agent
12 or employee of such licensee, shall sell, give or deliver cannabis to an underage
13 person. No person, after purchasing or otherwise obtaining cannabis, shall sell,
14 give or deliver the cannabis product to an underage person.

15 (b) *Underage Person not allowed.* No licensee, or any officer, associate, member,
16 representative, agent or employee of such licensee, shall permit an Underage
17 Person to be or remain on or in any portion of a licensed premises unless the
18 Underage Person is: (i) accompanied by his or her parent or guardian, or (ii) on
19 the premises for the purchase of authorized medicinal cannabis for the personal
20 use of the underaged person.

21 (c) *Unlawful consumption, purchase or possession.* No Underage Person shall
22 consume, purchase, smoke or have in his or her possession, cannabis, except
23 for prescribed medical use, with proper documentation. It shall be unlawful for
24 any parent or guardian to permit an underage person, of which he or she may be
25 the parent or guardian, to violate any of the provisions of this Chapter and shall
26 not provide cannabis to their children or in loco parentis except for prescribed
27 medicinal use.

28 **Sec. 11-6. Purchase or acceptance of cannabis by Underage Person; identification**
29 **cards; warnings.**

30 (a) *Prohibited gift or delivery.* No underage person shall accept a gift or delivery of
31 cannabis.

32 (b) *Photo identification.* If a licensee, or any officer, associate, member,
33 representative, agent or employee of such licensee, believes or has reason to
34 believe that a sale or delivery of cannabis is prohibited because of the
35 insufficient age of the prospective purchaser, he or she shall, before making
36 such sale or delivery, demand presentation of adequate written evidence of
37 identity, including, but not limited to, a photograph, and of the fact that the
38 purchaser or recipient is over the age of 21 years (hereinafter "identification
39 card"), issued by a federal, state, county, or municipal government or subdivision
40 or agency thereof, including, but not limited to, a motor vehicle operations
41 license or identification card issued to a member of the Armed Services.

42 (c) *No sale.* If a licensee, or any officer, associate, member, representative, agent or
43 employee of such licensee, believes or has reason to believe that the ultimate

1 recipient of cannabis to be purchased is of insufficient age or is using a forged or
2 false identification card, he or she shall not make the sale.

3 (d) *Forged or false identification.* No person shall transfer, alter or deface an
4 identification card; use the identification card of another; carry or use a false or
5 forged identification card; or obtain an identification card by means of false
6 information. No person shall purchase, accept the delivery, or have the
7 possession of cannabis in violation of this section.

8 (e) *Warnings displayed.* In every cannabis dispensary there shall always be
9 displayed in a prominent place, a printed card which shall be supplied by Skokie
10 and which shall read substantially as follows:

11 WARNING TO ALL PERSONS UNDER THE AGE OF TWENTY-ONE YEARS. YOU
12 ARE SUBJECT TO A CRIMINAL ARREST AND FINE IF YOU PURCHASE, OR
13 ACCEPT A GIFT OF, CANNABIS OR HAVE CANNABIS IN YOUR POSSESSION,
14 OR IF YOU HAVE IN YOUR POSSESSION A FALSE, FORGED, ALTERED OR
15 DEFACED IDENTIFICATION CARD WHICH MISREPRESENTS YOUR AGE.

16 **Sec. 11-7. Liability for permitting Underage Persons to possess or consume**
17 **cannabis.**

18 (a) It shall be unlawful for any owner or occupant of any premises in Skokie to permit
19 an underage person to possess or consume cannabis on the premises, except
20 for prescribed medical use with proper documentation.

21 (b) No person shall permit a gathering at their residence, or on property owned by
22 the person or under the person's control, where any one or more Underage
23 Persons are in possession of or are consuming any cannabis. No person that
24 believes an Underage Person has consumed cannabis shall allow that Underage
25 Person to leave a residence, or property owned by the person, or under the
26 person's control, except when the Underage Person is accompanied by the
27 Underage Person's parent or legal guardian. For the purpose of this section
28 where the residence, or a property, has a tenant or lessee, there is a rebuttable
29 presumption that the residence, or property, is occupied or controlled by the
30 tenant or lessee. There is a rebuttable presumption that the owner or occupant of
31 said residence, or property, permitted such conduct, unless the contrary is
32 established by a preponderance of the evidence, even if said owner or occupant
33 is not on the premises at the time of the violation.

34 **Secs. 11-8—10-20. Reserved.**

35 **ARTICLE II. - RETAIL SALES AND CONSUMPTION**

36 **DIVISION 1. - GENERALLY**

37 **Sec. 11-21. Consumption at or in a cannabis dispensary.**

38 Cannabis may not be consumed within a cannabis dispensary for any purpose and in
39 any form, including but not limited to samples, tastings, edible products or
40 byproducts or by smoking.

1 **Sec. 11-22. Consumption in parking lot adjacent to cannabis dispensary.**

2 (a) *In parking lots.* Cannabis may not be consumed in any parking lot or open area
3 adjacent to any cannabis dispensary for any purpose and in any form,
4 including but not limited to samples, tastings, edible products or byproducts or
5 by smoking.

6 (b) *Responsibility of owner and/or manager.* No licensee, or officer, associate,
7 member, representative, agent or employee of such licensee, shall permit the
8 consumption of cannabis in violation of this chapter.

9 (c) *Posting of signs.* All cannabis dispensaries must post the following sign on the
10 property where the establishment is located.

11 PURSUANT TO THE SKOKIE VILLAGE CODE, IT IS UNLAWFUL TO CONSUME
12 ANY CANNABIS IN ANY PARKING LOT OR OPEN AREA ADJACENT TO THIS
13 CANNABIS DISPENSORY.

14 **Sec. 11-23. Hours of Operation.**

15 The hours of operation for a dispensary shall be within 10:00 a.m. to 8:00 p.m.
16 Monday through Sunday.

17 **Sec. 11-24. Dispensary Premises.**

18 A cannabis dispensary shall only be located in a stand-alone building. Cannabis
19 shall not be sold upon any premise which has any access that leads from such
20 premises to any other portion of the same building used for dwelling or lodging
21 purposes or which is permitted to be used or kept accessible for the public, unless
22 owned and operated by the cannabis dispensary in conjunction with its cannabis
23 dispensary business for purposes other than a dwelling or lodging.

24 **Sec. 11-25. Giving away of cannabis.**

25 (a) No licensee, individual, partnership or corporation shall give away or provide
26 samples or tastings of any cannabis for retail sales or other purposes or in
27 connection with the promotion of the cannabis dispensary.

28 **Secs. 11-26—10-60. Reserved.**

29 **DIVISION 2. - LICENSE**

30 **Sec. 11-610. Required.**

31 (a) No person shall sell or offer for sale or possess with intention to sell at retail
32 Skokie any cannabis without a cannabis retail sales license issued by the Skokie
33 pursuant to this Chapter, in addition to a license issued by the State of Illinois.
34 No person shall sell at retail or offer for sale at retail in Skokie cannabis in any
35 form, in violation of the terms and conditions of the license or in violation of any
36 provision of this chapter or any provision of the Act.

37 **Sec. 11-62. Term.**

1 Each cannabis dispensary shall have a license issued by the State of Illinois to
2 sell retail cannabis prior to applying for a Skokie cannabis dispensary license. Each
3 cannabis dispensary shall have a Skokie cannabis retail sales license pursuant to
4 this chapter and the license shall be an annual license and shall expire on April 30th
5 next following its issuance and every year thereafter requiring an application for
6 renewal and approval.

7 **Sec. 11-63. Number of licenses.**

8 There shall be a maximum of two (2) cannabis retail sales licenses available at
9 any one time in Skokie.

10 **Sec. 11-64. Application.**

11 (a) Applications for a cannabis retail sales license shall be made to the Cannabis
12 Commissioner, on a form provided by the Cannabis Commissioner. Each such
13 application shall be in writing, signed by the applicant or by a duly authorized
14 officer of an entity, verified by oath or affidavit. In addition to the provided form,
15 the licensee applicant shall be responsible for submitting any additional
16 information that may be required by the Cannabis Commissioner.

17 (b) In addition to the application, the applicant or the managing partners or officers of
18 the owning entity of the applicant and the on-site managers of the applicant must
19 undergo a criminal background check, including but not limited to finger printing
20 under the direction of the Skokie Chief of Police or designee.

21 (c) An affidavit, executed by a duly authorized officer or managing partner, stating
22 that all members, officers, managers, general partners, directors, stockholders or
23 limited partners of the applicant owning 5 percent or more of the applicant have
24 no criminal convictions in any jurisdiction.

25 **Sec. 11-65. Restrictions on issuance.**

26 No license shall be issued:

27 (a) To an individual or entity declared ineligible for a license under the Cannabis
28 Regulation and Tax Act, as amended from time to time, or to a person,
29 partnership or corporation not eligible for an Illinois cannabis dispensary
30 license.

31 (b) For a cannabis dispensary in proximity to a school, hospital, park or other
32 institution if issuance of the cannabis retail sales license would violate
33 Skokie zoning ordinances, regarding cannabis dispensaries distance from
34 such institutions.

35 **Sec. 11-66. Distance between licensed premises.**

36 (a) A cannabis retail sales license shall not be issued for a cannabis dispensary that
37 is on property or in premises in proximity to another cannabis dispensary if
38 issuance of the cannabis dispensary license would violate Skokie zoning
39 regarding cannabis dispensaries distance from one another, as amended from
40 time to time.

41 **Sec. 11-67. Fees.**

1 The license fees for licenses shall be as set forth in Section 46-82 of the
2 Skokie Village Code.

3 **Sec. 11-68. Nature of license; transfer; expiration.**

4 (a) A cannabis retail sales license shall be purely a privilege, good for a period not to
5 exceed 1 year after issuance unless revoked according to law, and shall not
6 constitute property, or be subject to attachment, garnishment or execution, or be
7 alienable, assignable, transferable or subject to encumbrment, and shall cease
8 upon the death, or insolvency or cessation of operation of the licensee or the
9 filing for bankruptcy protection.

10 (b) A licensee shall not enter into any agreement with a person or entity, whether it
11 be a lease, management or other agreement, that would allow the person or
12 entity to utilize the license in the operation of the person's or entity's business
13 wherein the licensee maintains an interest of any kind whatsoever in the license.

14 (c) If a licensee's business is inactive for a period of three consecutive months, the
15 license shall become null and void. For the purposes of this Section, the word
16 "inactive" shall mean that the business has ceased operating or is not open to
17 the public. Should a license become inactive for three consecutive months, the
18 Cannabis Commissioner shall have the authority to reinstate the license.

19 **Sec. 11-69. Renewal of license.**

20 (a) Any cannabis dispensary licensee may be renewed at the expiration of its term,
21 provided the applicant is qualified to receive a new cannabis dispensary license
22 under the then current requirements and the premises for which such renewal
23 license is sought are suitable for such purposes; and further, that the renewal
24 privilege herein provided for shall not be construed as a vested right which shall
25 in any case prohibit the Mayor and Board of Trustees from decreasing the
26 number of licenses to be issued within the jurisdiction of the Mayor and the
27 Board of Trustees.

28 (b) The renewal application shall be on a form prescribed by the Cannabis
29 Commissioner. Additionally, all licensees or an authorized representative thereof,
30 are required to attend an annual meeting convened by the Cannabis
31 Commissioner.

32 **Sec. 11-70. Change of location of business.**

33 A cannabis dispensary license shall permit the sale of cannabis only in the
34 premises described in the application and license.

35 **Sec. 11-71. Display.**

36 Each licensee shall display the cannabis retail sales license in plain view in a
37 conspicuous place on the premises.

38 **Sec. 11-72. Hearing fees.**

39 In the event the Cannabis Commissioner issues a Notice to the licensee to
40 convene a hearing regarding an alleged violation or violation of Local, State or

Federal Law; any and all fees and costs associated with said hearing or in the preparation thereof, shall be paid by the licensee, including but not limited to attorney's fees for a legal advisor to the Cannabis Commissioner and for a prosecutor and for related costs including but not limited to the cost of the court reporter.

Sec. 11-73. Suspension or revocation.

(a) The Cannabis Commissioner may suspend or revoke any license issued, if it is determined by the Cannabis Commissioner, subsequent to a hearing in accordance with the Act, that the licensee has violated any ordinance of the Village of Skokie, Illinois statute or federal law pertaining to the operation of the licensee's business or the premises where it is located, or any regulation or rule that has been established by the Cannabis Commissioner, which is not inconsistent with state statute. In addition to suspension or revocation, the Cannabis Commissioner may levy a fine on the licensee for such violations. The fine imposed shall not exceed \$1,000.00 for a first violation, \$1,500.00 for a second violation within a 12-month period and \$2,500.00 for a third or subsequent violation within a 12-month period. Each and every day which a violation continues shall constitute a separate violation. Not more than \$15,000.00 in fines under this Section may be imposed against any licensee during the period of the license.

Sec. 11-74. Subsequent awarding of licenses.

In the event the Cannabis Commissioner revokes a cannabis dispensary license or a cannabis dispensary license is surrendered, the Cannabis Commissioner may decide to award the license to another applicant whose application is on a wait list maintained by the Cannabis Commissioner for consideration of awarding a cannabis retail sales license or may not award the license and hold it.

Section 2: That this Ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form as provided by law.

ADOPTED this day of , 2019.

Ayes:

Nays:

Absent:

Village Clerk

Attested and filed in my office
this _____ day of _____, 2019;
and published in pamphlet form
according to law from
_____, 2019 to _____, 2019.

Approved by me this day of
 , 2019.

Mayor, Village of Skokie

Village Clerk

THIS ORDINANCE MAY BE CITED AS
 VILLAGE ORDINANCE NUMBER

19-9-C-

***AN ORDINANCE AMENDING CHAPTER 98, OF THE SKOKIE VILLAGE
 CODE BY ADDING ARTICLE XVI PERTAINING TO MUNICIPAL
 CANNABIS RETAILERS' OCCUPATION TAX***

1 **WHEREAS**, Chapter 98, of the Village of Skokie Village Code provides for taxation;
 2 and

3 **WHEREAS**, the State of Illinois enacted the Cannabis Regulation and Tax Act, Illinois
 4 Public Act 101-0027 (hereinafter "Act") which pertains to the possession, use, cultivation,
 5 transportation and dispensing of adult-use cannabis which became effective June 25, 2019;
 6 and

7
 8 **WHEREAS**, the State of Illinois also has enacted the Illinois Municipal Cannabis
 9 Retailers' Occupation Tax Law, (hereinafter "Cannabis Tax") 65ILCS 5/11-8/22 et seq., which
 10 authorizes municipalities to enact a municipal tax on cannabis sales which shall be collected
 11 by the Illinois Department of Revenue and shall go into effect January 1, 2020; and

12
 13 **WHEREAS**, the Village of Skokie, relies on retail taxes to fund operations and capital
 14 budgets accounting for nearly 30% of all annual revenue sources and enables Skokie to
 15 freeze its portion of real estate tax rates; and

16
 17 **WHEREAS**, the State of Illinois enacted the Cannabis Tax to provide funding for
 18 municipalities which have suffered revenue losses due to the actions of the State of Illinois
 19 and in recognition of new expenditures that municipalities will experience concerning health,
 20 safety, and roads resulting from recreational cannabis dispensary operations; and

21
 22 **WHEREAS**, the gross receipts tax is both equitable to the payers and beneficial to
 23 Skokie as it provides new revenue from future revenue growth, including from non-residents
 24 of Skokie, to offset new expenditures from cannabis sales and to otherwise improve Skokie;
 25 and

26
 27 **WHEREAS**, it is recommended to the Mayor and Board of Trustees that Chapter 98,
 28 of the Skokie Village Code be amended by adding Article XVI accordingly; and

29
 30 **WHEREAS**, the Mayor and Board of Trustees at a public meeting duly held on
 31 September 16, 2019, concurred in the aforesaid recommendation of the Village Manager and
 32 Corporation Counsel; and

33 **NOW, THEREFORE, BE IT ORDAINED**, by the Mayor and Board of Trustees of the
 34 Village of Skokie, Cook County, Illinois;

1 **Section 1:** That Chapter 98 of the Skokie Village Code be and the same is hereby
2 amended in the manner hereinafter indicated subject to modification by the Village Manager
3 or designee and the Corporation Counsel. The new material is **highlighted in bold**.

4 Chapter 98 – TAXATION

5 ...
6 **Article XVI. Municipal Cannabis Retailers' Occupation Tax**

7
8 **Sec. 98-390 – Imposition of Tax; Rate**

9
10 (a) A tax is hereby imposed upon all persons engaged in the business of selling
11 cannabis (hereinafter "Cannabis Retailer") other than cannabis purchased under
12 the Compassionate Use of Medical Cannabis Pilot Program Act, at retail in the
13 Village of Skokie at the rate of 3% of the gross receipts from sales made in the
14 course of business. This tax shall be in addition to any and all other surcharges
15 or taxes which may be imposed.

16
17 (b) The imposition of the tax is in accordance with the provisions of Sections 8-11-
18 22, of the Illinois Municipal Code (65 ILCS 5/8-11-22).

19
20 **Sec. 98-391 – Collection of Tax.**

21 (a) Any Cannabis Retailer, within the Village shall have the duty to collect the
22 municipal cannabis retailer's occupation tax and remit it to the Illinois
23 Department of Revenue.

24
25 (b) Any remittance by a Cannabis Retailer required by this Article shall be done in
26 accordance with the rules and forms promulgated by the Illinois Department of
27 Revenue.

28
29 (c) Any tax required to be collected pursuant to or as authorized by this Article shall
30 constitute a debt owed by the retailer to the State of Illinois.

31
32 **Sec. 98-392 – Administration and enforcement.**

33 The tax imposed under this Article and all civil penalties that may be assessed as an
34 incident thereto, shall be collected and endorsed by the Department. The Department
35 shall have full power to administer and enforce the provisions of this Article and the
36 Village retains its rights to legal action including the revocation of certificates of
37 operation to enforce the provisions of this Article.

38 **Section 2:** That this Ordinance shall be in full force and effect from and after its
39 passage, approval and publication in pamphlet form as provided by law, provided however,
40 that the tax provided for herein shall take effect for all sales January 1, 2020.
41
42
43

ADOPTED this day of , 2019.

Ayes:

Nays:

Absent:

Village Clerk

Attested and filed in my office
this day of September, 2019;
and published in pamphlet form
according to law from September
 , 2019 to October , 2019.

Approved by me this day of
September, 2019.

Mayor, Village of Skokie

Village Clerk

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