AN ORDINANCE
REGARDING REGULATIONS FOR CANNABIS BUSINESS ESTABLISHMENTS AND
AMENDMENTS TO ORDINANCES REGARDING CANNABIS
AND DRUG PARAPHERNALIA

WHEREAS, the City of Elgin is home rule unit pursuant to Article VII, Section 6 of the
Illinois Constitution, and as a home rule unit may exercise any power and perform any function
pertaining to its government affairs; and

WHEREAS, the City of Elgin has the authority to adopt ordinances and to promulgate rules
and regulations that pertain to its government affairs that protect the public health, safety and welfare
of its citizens; and

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

WHEREAS, pursuant to the Act, the City may enact reasonable zoning regulations or
regulations not in conflict with the Act, regulating cannabis business establishments, including rules
adopted governing the time, place, manner and number of cannabis business establishments, and
minimum distance limitations between cannabis business establishments and locations the City
deesms sensitive; and

WHEREAS, the City Council of the City of Elgin has determined that it is necessary and
desirable to adopt certain regulations regarding cannabis business establishments and to amend
certain existing city ordinances regarding cannabis and drug paraphernalia as set forth herein.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF
ELGIN, ILLINOIS AS FOLLOWS:

Section 1. That Title 6 of the Elgin Municipal Code, 1976, as amended, entitled
"Business Licenses and Regulations" be and is hereby further amended by adding a new Chapter
6.07 thereto entitled "Cannabis Business Establishments" to read as follows:

"Chapter 6.07
CANNABIS BUSINESS ESTABLISHMENTS

6.07.010: PURPOSE AND APPLICABILITY:

It is the intent and purpose of this Chapter to provide regulations regarding the cultivation,
processing and dispensing of cannabis occurring within the corporate limits of the City of
Elgin. Such facilities shall comply with all regulations provided in the Cannabis Regulation
and Tax Act (410 ILCS 705/1, et seq.) ("Act") and the Compassionate Use of Medical
Cannabis Program Act (410 ILCS 130/1, et seq.) ("Medical Cannabis Act"), as they may be amended from time-to-time, and regulations promulgated thereunder, and the regulations provided below. In the event that either the Act or Medical Cannabis Act is amended, the more restrictive of the state or local regulations shall apply.

6.07.020: DEFINITIONS:

The following words and phrases shall, for the purposes of this Chapter have the meanings respectively ascribed to them by this section, as follows:

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 licensed cannabis business establishment, per the Cannabis Regulation and Tax Act (410 ILCS 705/1, et seq.) as it may be amended from time to time, and regulations promulgated thereunder.

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: A cultivation center, craft grower, processing organization, infuser organization, dispensing organization or transporting organization. As used in this section, a cannabis business establishment shall also include all medical cannabis cultivation centers and dispensaries licensed under the Compassionate Use of Medical Cannabis Program Act (410 ILCS 130/1, et seq.).

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 Cannabis Regulation and Tax Act, (410 ILCS 705/1, et seq.), as it may be amended from time-to-time, and regulations promulgated thereunder.

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 Cannabis Regulation and Tax Act (410 ILCS 705/1, et seq.), as it may be amended from time-to-time, and regulations promulgated thereunder.

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 Cannabis Regulation and Tax Act (410 ILCS 705/1, et seq.), as it may be amended from time-to-time, and regulations promulgated thereunder.

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 Cannabis Regulation and Tax Act (410 ILCS 705/1, et seq.), as it may be amended from time-to-time, and regulations promulgated thereunder.

CANNABIS LOUNGE OR SOCIAL SPACE. 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 that may permit the on-premises consumption of cannabis at or within the business in a manner consistent with the Cannabis Regulation and Tax Act (410 ILCS 705/1, et seq.), as it may be amended from time-to-time, and regulations promulgated thereunder. Cannabis Lounges and Social Spaces are prohibited within the city.

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 Cannabis Regulation and Tax Act (410 ILCS 705/1, et seq.), as it may be amended from time-to-time, and regulations promulgated thereunder.

CANNABIS TRANSPORTING ORGANIZATION OR TRANSPORTER: An organization or business that is licensed by the Illinois 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, per the Cannabis Regulation and Tax Act (410 ILCS 705/1, et seq.), as it may be amended from time-to-time, and regulations promulgated thereunder.

PERSON: Any person, firm, corporation. Association, club, society or other organization,
including any owner, manager, proprietor, employee, volunteer or agent.

6.07.030: CONSUMPTION, PURCHASE, ACCEPTANCE OR POSSESSION PROHIBITED

A. It shall be unlawful for any person, firm or corporation to sell, give away, deliver, possess with intent to sell at wholesale or retail, possess with intent to give away or deliver for promotional purposes, either retail or wholesale, any cannabis, cannabis-infused products, cannabis seeds, paraphernalia or related supplies within the City without first having obtained a license from the State of Illinois. A dispensing organization's license allows for a dispensary to be operated only at a single location.

B. It shall be unlawful for any person, firm or corporation to sell, give away, deliver, possess with intent to sell at wholesale or retail, possess with intent to give away or deliver for promotional purposes, either retail or wholesale, any cannabis, cannabis-infused products, cannabis seeds, paraphernalia or related supplies to persons under twenty-one (21) years of age and in contravention to the provisions of the Cannabis Regulation and Tax Act (410 ILCS 705/1, et seq.). The prohibitions set forth in this section shall not apply to persons who consume, purchase, or possess cannabis, cannabis-infused products, cannabis seeds, paraphernalia or related supplies pursuant to the Compassionate Use of Medical Cannabis Program (410 ILCS 130/1, et seq.).

C. It shall be unlawful for any person under twenty-one (21) years of age to consume, purchase, accept a gift of or have cannabis, cannabis-infused products, cannabis seeds, paraphernalia or related supplies to purchasers in his or her possession or in his or her bloodstream. The prohibitions set forth in this section shall not apply to persons who consume, purchase, or possess cannabis, cannabis-infused products, cannabis seeds, paraphernalia or related supplies pursuant to the Compassionate Use of Medical Cannabis Program (410 ILCS 13.0/1, et seq.).

D. It shall be unlawful for any person, firm or corporation to encourage the sale of cannabis, cannabis infused products, cannabis seeds, paraphernalia or related supplies by giving any cannabis or cannabis products, by conducting games or competitions related to the consumption of cannabis or cannabis products, or by providing promotional materials or activities of a manner or type that would be appealing to children.

6.07.040: BUILDING ENHANCEMENTS:

A. Any license of a Cannabis Business Establishment shall install building enhancements, such as security cameras, security alarm systems, lighting or other improvements to ensure the safety of employees and customers of the Cannabis Business Establishments, as well as its environs. Said improvements shall be determined based on the specific characteristics of the floor plan for a Cannabis Business Establishment and the site on which it is located, consistent with the
requirements of the Act and the Medical Cannabis Act. The City Manager or his or her designee may, at his discretion, require the Cannabis Business Establishment to install improvements and buildings enhancements beyond the State's requirements based on the specific characteristics of Cannabis Business Establishment in order to ensure the safety of employees, customers and City residents.

B. A dispensing organization must keep all lighting outside and inside the dispensary in good working order and wattage sufficient for security cameras.

6.07.050: CONDUCT OF EMPLOYEES AND AGENTS; SUPERVISOR ON PREMISES:

A. Any act or failure to act of an employee or agent of either the licensee of a Cannabis Business Establishment or a management company with respect to the licensed business shall be deemed to be the act of the licensee. Any duty set forth in this chapter as a duty of the licensee shall also be the duty of any agent or employee of the licensee.

B. A person must be at least twenty one (21) years of to sell cannabis products.

C. A manager shall be on the premises of a Cannabis Business Establishment at all times that the licensed premises is open for business. For the purposes of this section "manager" shall be defined as the sole individual person, on the licensed premises, who is charged with supervision, oversight and management of the entire business and physical premises.

D. A Cannabis Dispensing Organization shall submit a list to the State of the names of all service professionals that will work at the dispensary.

6.07.060: COMPLIANCE WITH OTHER REGULATIONS:

A. All licensed premises of Cannabis Business Establishments shall be maintained and operated in full compliance with all other regulations of the State, the Cannabis Regulation and Tax Act, the Compassionate Use of Medical Cannabis Program Act and the City, including, but not limited to, those relating to the storage or sale of food, sanitary conditions, building and safety conditions.

B. Applicants seeking to open a Cannabis Business Establishment facility shall provide the City with proof of State licensing approval prior to the issuance by the City of a conditional use permit. Persons operating a Cannabis Business Establishment shall annually provide to the City all State inspection reports and other information necessary to verify ongoing compliance with State and City requirements. Applicants shall, after commencing operations, provide to the City, within seven (7) days of receipt, copies of any notices, citations or other enforcement actions undertaken against the facility by the State, along with an explanation as to what steps are being
taken by the Applicant to bring the facility back into compliance.

C. Cannabis Business Establishments and property owners where such Cannabis Business Establishments are located shall provide access to City police, fire and code enforcement personnel during periods when employees are present to verify compliance with this Chapter and other City ordinances. Cannabis Business Establishments and property owners where such Cannabis Business Establishments are located shall cooperate with the City police, fire and code enforcement personnel in the provision of security footage when requested, and in any related prosecution of any persons who violate State law or local ordinances within a Cannabis Business Establishment and on properties where such Organizations are located.

D. All Cannabis Business Establishments shall register with the City pursuant to Chapter 6.04 of this Code.

6.07.070: ON-SITE CONSUMPTION OR USE:

A. No cannabis shall be smoked, eaten or otherwise consumed or ingested within any Cannabis Business Establishment and within the parking areas or other public areas of a Cannabis Business Establishment. Cannabis Dispensing Organizations are required to prominently display signs regarding this prohibition near the exit door or doors of the facility.

B. It shall be unlawful for any person to knowingly permit or to knowingly or negligently fail to immediately prevent or stop, on business premises under his or her control, the consumption of any cannabis by any individual. This restriction serves as a prohibition on Cannabis Lounge or Social Spaces and a prohibition of any business, including Cannabis Business Establishments, from incorporating portions of its square footage to Cannabis Lounge or Social Space. This section does not prohibit individual consumption on private property as defined by the Cannabis Regulation and Tax Act.

6.07.080: SIGNAGE PROHIBITING SALES

A. Signs informing the public of the age restrictions of this chapter, shall be posted by every licensee in conspicuous view on the premises. Each such sign shall state:

"The sale of cannabis products to persons under twenty-one (21) years of age is prohibited by law. A photo identification showing proof of age shall be required of everyone under twenty seven (27) years of age desiring to purchase cannabis products. Violations shall be reported to the City of Elgin Police Department"

B. Said sign(s) shall be plainly visible and shall measure at least eight and one-half inches (8.5") in height and eleven inches (11") in width. Lettering on said sign shall
be at least one-half inch (0.5") in height. Said signs shall also inform the public that the City of Elgin Police Department is to be contacted should the law be violated.

C. The signage requirement set forth in this section shall not apply to any medical cannabis cultivation center or dispensary which operates exclusively under a license issued pursuant to the Compassionate Use of Medical Cannabis Program, (410 ILCS 130/1, et seq.).

6.07.090: PROOF OF AGE

A. No cannabis or cannabis products shall be sold to any person under twenty-seven (27) years of age unless that person has provided, at the point of purchase, a government issued photo identification showing date of birth.

B. No person shall transfer, alter or deface any identification card, use any identification card of another, carry or use a false or forged identification card, obtain an identification card by means of false information, or otherwise misrepresent age for the purpose of purchasing or obtaining cannabis or cannabis products.

6.07.100: ADVERTISEMENT PROHIBITED:

Cannabis Business Establishments cannot advertise cannabis or a cannabis-infused product in any form or through any medium:

A. Within 1,000 feet of school grounds, playground, hospital, healthcare facility, recreation center or facility, child care center, public park or library or any arcade that admits persons under age 21;

B. On or in a public transit vehicle or public transit shelter;

C. On or in a publicly-owned or publicly-operated property; or

D. Which contains information that:

1. is false or misleading;
2. promotes excessive consumption;
3. depicts a person under 21 years of age consuming cannabis.

This includes the image of a cannabis leaf or 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 are popularly used to advertise to children, or any imitation of candy packaging or labeling or that promotes consumption of cannabis.

6.07.110 OTHER RESTRICTIONS ON CANNABIS DISPENSING
ORGANIZATIONS:

A. Hours of Operation: Cannabis Dispensing Organizations shall operate only between the hours of 6:00 a.m. and 10:00 p.m.

B. No cannabis odors shall be detectable outside of the Cannabis Dispensing Organizations.

C. Product Display: No products sold by a Cannabis Dispensing Organizations shall be visible from the public street, sidewalk or other public place.

D. A Cannabis Dispensing Organization may only accept cannabis deliveries into a restricted access area. Deliveries may not be accepted through the public or limited access areas unless otherwise approved under the Act or Medical Cannabis Act.

E. A Cannabis Dispensing Organization must include the legal name of the dispensary on the packaging of any cannabis product it sells.

F. Cannabis Dispensing Organizations are prohibited from selling any product containing alcohol, except tinctures, which must be limited to containers that are no larger than 100 milliliters.

G. Cannabis Dispensing Organizations shall not:

1. Sell cannabis, cannabis concentrate, or cannabis-infused products in combination or bundled with each other or any other items for one price, and each item of cannabis, concentrate, or cannabis-infused product must be separately identified by quantity and price on the receipt;
2. Sell clones or any other live plant material;
3. Have fewer than 2 people working at the dispensary at any time while the dispensary is open;
4. Operate a dispensary if its video surveillance equipment is inoperative;
5. Operate a dispensary if the point-of-sale equipment is inoperative;
6. Operate a dispensary if the State's cannabis electronic verification system is inoperative;
7. Enter into agreements to allow persons who are not dispensing organization agents to deliver cannabis or to transport cannabis to purchasers;
8. Operate drive-through windows;
9. Allow for the dispensing of cannabis or cannabis-infused products in vending machines;
10. Transport cannabis to residences or other locations where purchasers may be for delivery;
11. Produce or manufacture cannabis;
12. Accept a cannabis product from an adult use cultivation center, craft grower, infuser, dispensing organization, or transporting organization unless it is
pre-packaged and labeled in accordance with the Act and any rules that may be adopted pursuant to the Act,

13. Obtain cannabis or cannabis-infused products from outside the State of Illinois;

14. Sell cannabis or cannabis-infused products to a purchaser unless the dispensary organization is licensed under the Compassionate Use of Medical Cannabis Program, and the individual is registered under the Compassionate Use of Medical Cannabis Program or the purchaser has been verified to be over the age of 21;

15. Permit any person to smoke, eat or otherwise consume or ingest any cannabis on the premises including, but not limited, within any parking areas or other public areas on the premises of the cannabis dispensing organization;

16. Keep open for business or admit the public or patrons or customers or persons to the premises either before or after the permitted hours of operation or to permit or allow persons, patrons, or customers to remain in or about the premises either before or after the permitted hours of operation;

17. Violate any other requirements or prohibitions set by State rules.

6.07.120: PENALTY FOR VIOLATION:

A. Any person violating any of the provisions or failure to comply with any of the mandatory requirements of this chapter shall be guilty of an offense. Any person convicted of an offense under this chapter, in addition to other legal and equitable remedies available to the city, shall be punished by a fine in an amount of not less than five hundred dollars ($500.00) for each offense.

B. Any person shall be guilty of a separate offense for each and every day during any portion of which any violation of any provision of this chapter is committed, continued or permitted by any such person, and he shall be punished accordingly.

C. The levy and/or payment of any penalty or fine provided in this chapter shall not be deemed a waiver of the power of the city to suspend, revoke or to refuse to renew a license or to seek injunctive relief to enjoin violations of this chapter or other applicable provisions of law.

6.07.130 SEVERABILITY:

If any provision, clause, sentence, paragraph, section or part of this chapter or application thereof to any person or circumstance, shall or may reason to be adjudged by a court of competent jurisdiction to be unconstitutional or invalid, said judgment shall not effect, impair or invalidate the remainder of this chapter and the application of such provision to other persons or circumstances, but shall be confined in its operation to the provision, clause, sentence, paragraph, section or part thereof directly involved in the controversy in which such judgment shall have been rendered and to the person or circumstances involved. It is hereby declared to be the legislative intent of the city council that this chapter would have
been adopted had such constitutional or invalid provisions, clause, sentence, paragraph, section or part thereof not been included.”

Section 2. That Chapter 10.24 of the Elgin Municipal Code, 1976, as amended, entitled "Cannabis" be and is hereby amended in its entirety to read as follows:

"10.24.010: DEFINITIONS:

All terms and phrases used in this chapter shall have the same meaning as ascribed to them in the Cannabis Control Act (720 ILCS 550/1, et seq.), as amended.

10.24.020: POSSESSION:

A person commits the offense of possession of cannabis by knowingly possessing thirty (30) grams or less of any substance containing cannabis unless permitted or authorized to do so pursuant to the Cannabis Control Act (720 ILCS 550/1, et seq.), the Cannabis Regulation and Tax Act (410 ILCS 705/1, et seq.) or the Compassionate Use of Medical Cannabis Program Act (410 ILCS 130/1, et seq.).

10.24.030: PENALTIES:

A. Any person found in violation of any of the provisions of this chapter for possession of ten grams (10 g) or less of any substance containing cannabis shall be fined not less than $75.00 for a first offense, not less than $200.00 for a second offense and not less than $500.00 for a third subsequent offense.

B. Any person found in violation of any of the provisions of this chapter for possession of more than ten grams (10 g) and up to thirty grams (30 g) of any substance containing cannabis shall be fined not less than one hundred fifty dollars ($150.00) for a first offense, not less than three hundred dollars ($300.00) for a second offense and not less than seven hundred fifty dollars ($750.00) for a third and subsequent offense.

C. In addition to the payment of the aforesaid fine, any person found to be in violation of this chapter may also, upon conviction, be required to complete not more than fifty (50) hours of community service or community restitution hours in addition to or in place of a fine.

D. Any person shall be guilty of a separate offense for each and every day during which any portion of any violation of this chapter is committed, continued or permitted to be committed, and the person shall be punished accordingly."

Section 3. That Chapter 10.25 of the Elgin Municipal Code, 1976, as amended, entitled "Drug Paraphernalia Control" be and is hereby further amended in its entirety to read as follows:
"10.25.010:  ADOPTION OF DRUG PARAPHERNALIA CONTROL ACT:

The regulations of the Drug Paraphernalia Control Act (720 ILCS 600/1, et seq.), as amended, are hereby adopted and incorporated by reference.

"10.25.020:  PENALTY FOR VIOLATION:

A. Any person violating any of the provisions or failure to comply with any of the mandatory requirements of this chapter shall be guilty of an offense. Any person convicted of an offense under this chapter, in addition to other legal and equitable remedies available to the city, shall be punished by a fine in an amount of not less than one thousand dollars ($1,000.00) for each offense.

B. Any person shall be guilty of a separate offense for each and every day during any portion of which any violation of any provision of this chapter is committed, continued or permitted by any such person, and he shall be punished accordingly.

C. The levy and/or payment of any penalty or fine provided in this chapter shall not be deemed a waiver of the power of the city to suspend, revoke or to refuse to renew a license or to seek injunctive relief to enjoin violations of this chapter or other applicable provisions of law."

Section 4. That all ordinances or parts of ordinances in conflict with the provisions are hereby repealed to the extent of any such conflict.

Section 5. That this ordinance shall be in full force and effect upon its passage and publication in the manner provided by law.

David J. Kaplain, Mayor

Presented: December 18, 2019
Passed: December 18, 2019
Vote: Yeas: 8 Nays: 1
Recorded: December 18, 2019
Published: December 19, 2019

Attest:

Kimberly Dewis, City Clerk