

ORDINANCE

WHEREAS, the City of Chicago (the “City”) is a home rule unit of government under Article VII, Section 6(a) of the Constitution of the State of Illinois, and, as such, may exercise any power and perform any function pertaining to its government and affairs, including the power to regulate for the protection of the public health, safety, morals, and welfare; and

WHEREAS, following the enactment of the Compassionate Use of Medical Cannabis Program Act (410 ILCS 130/1, et seq.) and the Cannabis Regulation and Tax Act (410 ILCS 705/1-1, et seq.), the use of cannabis for medical and recreational purposes were legalized in the State of Illinois; and

WHEREAS, at the federal level, the Agriculture Improvement Act of 2018 – commonly known as the 2018 Farm Bill – legalized, but did not regulate, certain cannabis-derived products, known as industrial hemp “with a delta-9 tetrahydrocannabinol (THC) concentration of not more than 0.3 percent on a dry weight basis”; and

WHEREAS, this lack of regulation has led to a proliferation of retailers selling essentially unregulated psychoactive cannabis, often containing significant – and often undisclosed or mislabeled – quantities of THC and other hemp-derived psychoactive compounds, with no safety regulations such as minimum age limits, testing, or truth in labeling requirements; and

WHEREAS, unlike medical cannabis dispensing organizations and cannabis business establishments which are subject to myriad regulations regarding operations, advertising, signage, testing of products, minimum distance requirements to prevent over-proliferation, and minimum distance requirements from schools and other sensitive uses, stores selling these hemp-derived products are not subject to any such regulations; and

WHEREAS, for example, under the Cannabis Tax and Regulation Act, cannabis business establishments are prohibited from engaging in advertising, including signage, that “contains any statement or illustration that ... depicts the consumption of cannabis or cannabis products; ... makes any health, medical or therapeutic claims about cannabis or cannabis-infused products; [or] includes the image of a cannabis leaf or bud” (410 ILCS 705/55-20(a)); and

WHEREAS, additionally, medical cannabis dispensing organizations nor cannabis business establishments may not advertise within 1,000 feet of any school, playground, park, recreation center, childcare center, or library (410 ILCS 130/130(d) and 410 ILCS 705/55-20(b)); and

WHEREAS, frequently, signage at stores selling these unregulated products use terminology in signage and advertisements such as “dispensary”, “cannabis dispensary”, and other terms that would lead a reasonable consumer to believe these stores are licensed, regulated, and subject to the same requirements as medical cannabis dispensing organizations and cannabis business establishments; and

WHEREAS, similarly, these stores frequently utilize images such as depictions of the cannabis plant, which is prohibited for licensed and regulated medical cannabis dispensing organizations and cannabis business establishments, as well as illustrations or symbols depicting a green cross,

which is very similar to the internationally recognized symbols for first aid and pharmacies, and which is becoming strongly associated with medical cannabis dispensing organizations; and

WHEREAS, in addition to the City's home rule authority, the City has a substantial interest in the protection of public health and preventing forms of communication more likely to deceive, mislead, or confuse the public than to inform it; now, therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The foregoing recitals are hereby adopted as the findings of the City Council.

SECTION 2. Section 17-3-0207 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, and by deleting the language struck through, as follows:

17-3-0207 Use Table and Standards.

USE GROUP		Zoning Districts						Use Standard	Parking Standard
Use Category		B1	B2	B3	C1	C2	C3		
	Specific Use Type								
P = permitted by-right S = special use approval required PD = planned development approval required - = Not allowed									
(Omitted text is unaffected by this ordinance)									
BBB. Manganese-bearing Material Operation		-	-	-	-	-	-	§17-9-0117-D	None required
CCC. Intoxicating Hemp Retailer		-	-	-	<u>S</u>	<u>S</u>	<u>S</u>	<u>§17-9-0133</u>	<u>§17-10-0207-M</u>

SECTION 3. Section 17-4-0207 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, and by deleting the language struck through, as follows:

17-4-0207 Use Table and Standards.

USE GROUP		Zoning Districts				Use Standard	Parking Standard
Use Category		DC	DX	DR	DS		
	Specific Use Type						
P = permitted by-right S = special use approval required PD = planned development approval required - = Not allowed							
(Omitted text is unaffected by this ordinance)							

BBB. Manganese-bearing Material Operation	-	-	-	-	§ 17-9-0117-D	None required
<u>CCC. Intoxicating Hemp Retailer</u>	<u>S</u>	<u>S</u>	<u>-</u>	<u>S</u>	<u>§17-9-0133</u>	<u>§17-10-0208</u>

SECTION 4. Section 17-5-0207 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, and by deleting the language struck through, as follows:

17-5-0207 Use Table and Standards.

USE GROUP	District			Use Standard	Parking Standard
Use Category	M1	M2	M3		
Specific Use Type					
P = permitted by-right S = special use approval required PD = planned development approval required - = Not allowed					
(Omitted text is unaffected by this ordinance)					
MM. Manganese-bearing Material Operation	-	-	-	§ 17-9-0117-D	None required
CCC. Intoxicating Hemp Retailer	=	=	=	§17-9-0133 Accessory sales of goods produced on-site: not to exceed 20% of on-site GFA	§17-10-0207-M

SECTION 5. Section 17-6-0403-F of the Municipal Code of Chicago is hereby amended by inserting the language underscored, and by deleting the language struck through, as follows:

17-6-0403-F Use Table and Standards.

USE GROUP																Use Standard			
Use Category	No. 2	No. 3	No. 4		No. 5	No. 6	No. 7		No. 8		No. 9	No. 10	No. 11		No. 12		No. 13	No. 14	No. 15
Specific Use Type	2	3	A	B	5	6	A	B	A	B	9	10	A	B	12		13	14	15
P = permitted by right S = special use approval req'd PD = planned development approval req'd - = not allowed																			
(Omitted text is unaffected by this ordinance)																			

GG. [Reserved] <u>Intoxicating Hemp Retailer</u>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<u>§17-9- 0133</u>
(Omitted text is unaffected by this ordinance)																				

SECTION 6. Chapter 17-9 of the Municipal Code of Chicago is hereby amended by inserting a new Section 17-9-0133, as follows:

17-9-0133 Intoxicating Hemp Retailer. No *intoxicating hemp retailer* may be located within 1,500 feet measured from property line to property line, of any: (i) pre-existing *intoxicating hemp retailer*; (ii) primary or secondary *school*; (iii) church, temple, synagogue, mosque, or other place of worship; (iv) hospital; or (v) any park owned or leased by any unit of local, state, or federal government. No *intoxicating hemp retailer* shall: (1) hold itself out to be a “dispensary”, “cannabis dispensary”, “dispensing organization”, “cultivator”, or any kind of *cannabis business establishment*; or (2) display signage or engage in advertising that includes the image of a green cross or any portion of a cannabis plant, including a leaf or bud.

SECTION 7. Section 17-10-207 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, as follows:

17-10-0207 Off-Street Parking Schedule 1: Neighborhood Zoning Districts. Schedule “1” presents off-street parking standards for uses in neighborhood zoning districts (i.e., R, B, C and M districts). The off- street parking standards for downtown (D) zoning districts are presented in Sec. 17-10-0208 below. In the event of conflict between this schedule and zoning district use regulations (e.g., this schedule establishes a parking standard for a use not allowed in the underlying zoning district), the zoning district use regulations govern.

(Omitted text is unaffected by this ordinance)

District	Minimum Automobile Parking Ratio (per unit or gross floor area)	Minimum Bike Parking
(Omitted text is unaffected by this ordinance)		
17-10-0207-M Parking Group M. (Retail, Body Art, Eating and Drinking Establishments, Food and Beverage Sales, Participant Sports and Recreation, Fortune Telling, Personal Service, Auto Supply/Accessory Sales, Artist Work or Sales Space, Copying and Reproduction, <u>Intoxicating Hemp Retailer</u> , or Cannabis Business Establishment)		
B, C, M dash 1, 1.5, 2	Health Clubs: as required by Sec. 4-6-020 of the Municipal Code Participant Sports and Recreation: 1 per 10 persons capacity All other: None for first 4,000 square feet then 2.5 spaces per 1,000 square feet	1 per 5 auto spaces

B, C, M dash 3	Health Clubs: as required by Sec. 4-6-020 of the Municipal Code Participant Sports and Recreation: 1 per 10 persons capacity All other: None for first 10,000 square feet then 2.5 spaces per 1,000 square feet	
B, C, M dash 5	Health Clubs: as required by Sec. 4-6-020 of the Municipal Code Participant Sports and Recreation: 1 per 10 persons capacity All other: None for first 35,000 square feet or 2 × lot area, whichever is greater, then 1.33 spaces per 1,000 square feet	
(Omitted text is unaffected by this ordinance)		

SECTION 8. Chapter 17-17 of the Municipal Code of Chicago is hereby amended by inserting a new Section 17-17-0106-F, as follows:

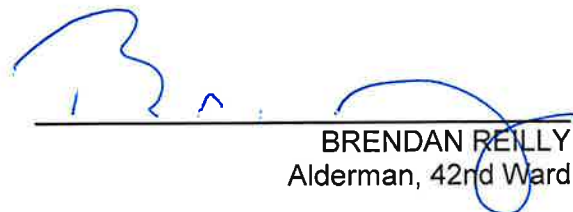
17-17-016-F Intoxicating Hemp Retailer. Businesses involved in the sale of any goods, products, or merchandise to the general public that are not a *cannabis business establishment* and sell or offer to sell intoxicating hemp products. There shall be a rebuttable presumption that a business is an *intoxicating hemp retailer* if such business holds out for sale any goods, products, merchandise: (1) as an intoxicating hemp product; (2) containing or being intended to produce or simulate the psychoactive effects of hemp, cannabis, any derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers of hemp or cannabis, or any other material, compound, moisture, or preparation containing THC. Such presumption may be rebutted by submitting clear and convincing evidence that such goods, products, or merchandise do not contain the above compounds or are not intended to produce the above-described effects prepared by a "cannabis testing facility", as defined by the Cannabis Regulation and Tax Act or a duly licensed third-party testing facility that is accredited by a private laboratory accrediting organization. As used in this section:

1. "Hemp" means the plant *Cannabis sativa* L. and any part of such plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, that is not cannabis regulated under the Compassionate Use Medical Cannabis Program Act (410 ILCS 130/1 et seq.) or the Cannabis Regulation and Tax Act (410 ILCS 705/1-1 et seq.).

2. "Intoxicating hemp product" means hemp or any product manufactured or derived from hemp, including hemp derived terpenes, in its final form, that is: (1) used for human consumption, including by ingestion, inhalation, or otherwise; (2) capable of producing a psychoactive effect in a person who consumes it; and (3) does not contain more than five milligrams per serving or 10 milligrams per package of THC derived from any naturally occurring cannabinoids found in hemp that may only be offered for sale at a dispensing organization under the Cannabis Regulation and Tax Act.

3. "THC" means any naturally occurring or synthetic tetrahydrocannabinol, including its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers

is possible within the specific chemical designation and any preparation, mixture, or substance containing, or mixed or infused with, any detectable amount of tetrahydrocannabinol or tetrahydrocannabinolic acid, including, but not limited to, delta-8-tetrahydrocannabinol, delta-9-tetrahydrocannabinol, delta-10-tetrahydrocannabinol, tetrahydrocannabinolic acid, tetrahydrocannabipheryl, or hexahydrocannabinol, however derived, or any other substance determined to have similar intoxicating effects on the mind or body by the Department. As used in this definition, "isomer" means the optical, position, and geometric isomers.



BRENDAN REILLY
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