

To Licensing Committee

ORDINANCE

WHEREAS, the City of Chicago ("City") is a home rule unit of government under Article VII, Section 6(a) 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, including, but not limited to, the power to regulate for the protection of the public health, safety, 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 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, Following the enactment of the 2018 Farm Bill, stores offering products derived from this "industrial hemp", including products containing significant quantities of delta-8 THC, and other products derived from essentially unregulated substances, such as kratom, have proliferated across the United States and the City; 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, neither medical cannabis dispensing organizations nor cannabis business establishments may advertise within 1,000 feet of any school, playground, public 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. Chapter 4-4 of the Municipal Code of Chicago is hereby amended by inserting a new Section 4-4-339, as follows:

4-4-339 Cannabinoid retailer signage.

(a) No licensee shall hold itself out to be a "dispensary", "cannabis dispensary", "dispensing organization", "cultivator", or any other type of cannabis business establishment, including in any display signage or engage in advertising that contains any statement that uses such terms, unless the licensee is a medical cannabis dispensing organization under the Compassionate Use of Medical Cannabis Program Act, 410 ILCS 130, or a licensed dispensing organization under the Cannabis Regulation and Tax Act, 410 ILCS 705.

(b) No licensee shall 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, unless the licensee is a medical cannabis dispensing organization under the Compassionate Use of Medical Cannabis Program Act, 410 ILCS 130, a licensed dispensing organization under the Cannabis Regulation and Tax Act, 410 ILCS 705, or a licensed pharmacy under the Pharmacy Practice Act, 225 ILCS 85.

(c) For the purposes of this section, "advertise" means 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.

SECTION 2. Subject to appropriation, the Department of Business Affairs and Consumer Protection, in consultation with the Department of Public Health, shall establish a public education campaign called "Why Buy Legal", which will explain: the benefits of purchasing legal adult-use cannabis; the risks of buying untested, illicit products; and how buying illicit cannabis products undermines the safe, equitable, and inclusive cannabis market in the State.

SECTION 3. This ordinance shall take effect 10 days after passage and publication.



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