

102ND GENERAL ASSEMBLY State of Illinois 2021 and 2022 HB5523

Introduced 1/31/2022, by Rep. La Shawn K. Ford

SYNOPSIS AS INTRODUCED:

New Act 410 ILCS 82/35 410 ILCS 705/10-25 410 ILCS 705/10-35 410 ILCS 705/55-25

Creates the Local Cannabis Licensing Act. Provides that a county or municipality may issue licenses for temporary events, cannabis clubs, and cannabis tours that will allow for the sale and consumption of cannabis or cannabis-infused products and for the sale of cannabis paraphernalia at such temporary events, clubs, or tours. Allows tours of cannabis craft grower or cultivation center facilities. Requires ordinances with specified regulations of such temporary events, cannabis clubs, and cannabis tours before any licenses are issued. Limits home rule powers. Amends the Cannabis Regulation and Tax Act and Smoke Free Illinois Act making conforming changes. Effective immediately.

LRB102 24970 CPF 34225 b

1 AN ACT concerning local government.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

- Section 1. Short title. This Act may be cited as the Local Cannabis Licensing Act.
- 6 Section 5. Definitions. As used in this Act:
- 7 "Cannabis business establishment", "cannabis",
- 8 "cannabis-infused product", "cannabis paraphernalia", "craft
- 9 grower", "cultivation center", "dispensing organization", and
- 10 "dispensing organization agent" have the meanings given to
- 11 those terms in the Cannabis Regulation and Tax Act.
- "Cannabis club" means a public or private restaurant, bar,
- 13 or other business licensed under Section 15 that allows
- 14 communal consumption of cannabis or cannabis-infused products
- on premises.
- "Governmental unit" means a county or municipality.
- 17 Section 10. Temporary event licenses.
- 18 (a) The consumption and sale of cannabis, cannabis-infused
- 19 products, or cannabis paraphernalia at a temporary event is
- subject to regulation by a municipality, for events within the
- 21 municipality, and a county, for events outside of a
- 22 municipality.

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1	(b) A person conducting a temporary event for the
2	consumption and sale of cannabis, cannabis-infused products,
3	or cannabis paraphernalia must hold a temporary event license
4	issued by the governmental unit for the premises at which the
5	temporary event is conducted.

- 6 (c) An applicant for a temporary event license under this
 7 Section must:
 - (1) apply for the license in the manner required by ordinance of the governmental unit;
 - (2) provide proof that the applicant is 21 years of age or older; and
 - (3) submit a plan to the governmental unit, in a form and manner prescribed by the governmental unit, detailing how persons under 21 years of age will be prevented from gaining access to the premises at which the temporary event is to be conducted.
- 17 (d) The premises at which an applicant intends to conduct 18 a temporary event may not be located:
 - (1) in an area that is zoned exclusively for residential use; or
- 21 (2) within 1,000 feet of a public or private 22 elementary or secondary school.
 - (e) An applicant for a temporary event license under this Section and the premises at which the temporary event is to be conducted must meet the requirements of any ordinance adopted by the governmental unit under this subsection.

1	(1) Before a governmental unit may issue any temporary
2	event license under this Section, the governmental unit
3	must adopt an ordinance that includes:
4	(A) application and licensure fees for a license
5	issued under this Section;
6	(B) the maximum term of a license issued under
7	this Section;
8	(C) a prohibition on licenses issued under this
9	Section from being continuously issued for a single
10	location;
11	(D) a requirement that cannabis sold on a premises
12	for which a license has been issued under this Section
13	will be sold by a cannabis business establishment;
14	(E) allowing the consumption of cannabis or
15	cannabis-infused products in designated areas of a
16	premises for which a license has been issued under
17	this Section;
18	(F) a requirement that each enclosed portion of a
19	premises for which a license has been issued under
20	this Section where cannabis or cannabis-infused
21	products are smoked, aerosolized, or vaporized must
22	have a ventilation system that:
23	(i) exhausts smoke, aerosols, and vapors from
24	that portion of the premises; and
25	(ii) is designed and terminated in accordance
26	with building code standards for the applicable

1	occupancy classification; and
2	(G) a requirement that a premises for which a
3	license has been issued under this Section must meet
4	any public health and safety standards and industry
5	best practices established by the governmental unit by
6	rule or ordinance.
7	(H) a requirement that a licensee under this
8	Section meet the definition of a Social Equity
9	Applicant under the Cannabis Regulation and Tax Act.
10	(2) The governmental unit may not adopt an ordinance
11	or rule that:
12	(A) prohibits a person that holds a license issued
13	under this Section from adopting policies that allow
14	persons attending the temporary event to bring
15	cannabis, cannabis-infused products, or cannabis
16	paraphernalia into the temporary event; or
17	(B) imposes public health or safety standards or
18	temporary events if those standards serve no purpose
19	other than deterring the consumption of cannabis or

24 Section 15. Cannabis clubs.

the temporary event.

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25 (a) The consumption of cannabis or cannabis-infused

cannabis-infused products at a temporary event.

reasonably related to the cost of inspecting and regulating

(f) License fees adopted under this Section must be

- 1 products at a cannabis club is subject to regulation by a
- 2 municipality, for cannabis clubs within the municipality, and
- 3 a county, for cannabis clubs outside of a municipality.
- 4 (b) A person operating a cannabis club must hold a
- 5 cannabis club license issued by the governmental unit for the
- 6 premises at which the consumption occurs.
- 7 (c) An applicant for a cannabis club license under this
- 8 Section must:
- 9 (1) apply for the license in the manner required by
- ordinance of the governmental unit; and
- 11 (2) provide proof that the applicant is 21 years of
- 12 age or older.
- 13 (d) The premises at which an applicant intends to have a
- 14 cannabis club may not be located:
- 15 (1) in an area that is zoned exclusively for
- 16 residential use; or
- 17 (2) within 1,000 feet of a public or private
- 18 elementary or secondary school.
- 19 (e) (1) An applicant for a cannabis club license under this
- 20 Section and the premises at which the cannabis club is to be
- located must meet the requirements of any ordinance adopted by
- the governmental unit under this subsection. The ordinance
- 23 must include:
- 24 (A) a requirement that a person that holds a license
- 25 must renew the license annually;
- 26 (B) fees for the application, licensure, and renewal

of licensure for a license;

- (C) a restriction on the consumption of cannabis or cannabis-infused products to designated enclosed areas of a premises for which a license has been issued;
- (D) a prohibition of the production, propagation, and processing of cannabis, cannabis-infused products, or cannabis paraphernalia on a premises for which a license has been issued;
- (E) a requirement that cannabis, cannabis-infused products, or cannabis paraphernalia sold on a premises for which a license has been issued shall be sold by a dispensing organization;
- (F) a requirement that each enclosed portion of a premises for which a license has been issued under this Section where cannabis or cannabis-infused products are smoked, aerosolized, or vaporized must have a ventilation system that:
 - (i) exhausts smoke, aerosols, and vapors from that portion of the premises; and
 - (ii) is designed and terminated in accordance with building code standards for the applicable occupancy classification; and
- (G) a requirement that a premises for which a license has been issued under this Section must meet any public health and safety standards and industry best practices established by the governmental unit by rule or ordinance.

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- 1 (H) a requirement that a licensee under this Section 2 meet the definition of a Social Equity Applicant under the 3 Cannabis Regulation and Tax Act.
- 4 (2) The governmental unit may not adopt an ordinance or 5 rule that:
 - (A) prohibits a person that holds a license issued under this Section from adopting policies that allow persons present at the cannabis club to bring cannabis, cannabis-infused products, or cannabis paraphernalia into the cannabis club; or
 - (B) imposes public health or safety standards on cannabis clubs if those standards serve no purpose other than deterring the consumption of cannabis or cannabis-infused products at a cannabis club.
 - (f) License fees adopted under this Section must be reasonably related to the cost of inspecting and regulating the cannabis club.
 - (g) If any provision of this Section conflicts with paragraph (8) of Section 35 of the Smoke Free Illinois Act relating to a dispensing organization, the provisions of paragraph (8) of Section 35 of the Smoke Free Illinois Act prevail.
- 23 Section 20. Cannabis tours.
- 24 (a) A craft grower or cultivation center may offer tours 25 to the public of its licensed facility if the craft grower or

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- cultivation center meets the definition of a Social Equity
 Applicant under the Cannabis Regulation and Tax Act.
- 3 (b) A tour may be offered only to persons who are 21 years of age or older.
 - (c) A craft grower or cultivation center that offers tours under this Section may enter into a contract with a dispensing organization to allow a dispensing organization agent to sell cannabis, cannabis-infused products, or cannabis paraphernalia during the tour on the premises of the craft grower or cultivation center offering the tour.
 - (d) The governmental unit may:
 - (1) require a craft grower or cultivation center to submit to the governmental unit, in a form and manner prescribed by the governmental unit, a plan that details how the craft grower or cultivation center will:
 - (A) prevent persons who are under 21 years of age from entering the premises of the craft grower or cultivation center during a tour; and
- 19 (B) ensure the health and safety of persons taking a tour; or
- 21 (2) adopt ordinances or rules as necessary to carry 22 out the provisions of this Section.
- Section 25. Home rule. A home rule unit may not regulate or license temporary events, cannabis clubs, or cannabis tours in a manner inconsistent with this Act. This Act is a limitation

- 1 under subsection (i) of Section 6 of Article VII of the
- 2 Illinois Constitution on the concurrent exercise by home rule
- 3 units of powers and functions exercised by the State.
- 4 Section 900. The Smoke Free Illinois Act is amended by
- 5 changing Section 35 as follows:
- 6 (410 ILCS 82/35)
- 7 Sec. 35. Exemptions. Notwithstanding any other provision
- 8 of this Act, smoking is allowed in the following areas:
- 9 (1) Private residences or dwelling places, except when 10 used as a child care, adult day care, or healthcare 11 facility or any other home-based business open to the
- 12 public.
- 13 (2) Retail tobacco stores as defined in Section 10 of
- this Act in operation prior to the effective date of this
- amendatory Act of the 95th General Assembly. The retail
- 16 tobacco store shall annually file with the Department by
- January 31st an affidavit stating the percentage of its
- gross income during the prior calendar year that was
- 19 derived from the sale of loose tobacco, plants, or herbs
- and cigars, cigarettes, pipes, or other smoking devices
- 21 for smoking tobacco and related smoking accessories. Any
- retail tobacco store that begins operation after the
- 23 effective date of this amendatory Act may only qualify for
- 24 an exemption if located in a freestanding structure

occupied solely by the business and smoke from the business does not migrate into an enclosed area where smoking is prohibited. A retail tobacco store may, with authorization or permission from a unit of local government, including a home rule unit, or any non-home rule county within the unincorporated territory of the county, allow the on-premises consumption of cannabis in a specially designated areas.

- (3) (Blank).
- (4) Hotel and motel sleeping rooms that are rented to guests and are designated as smoking rooms, provided that all smoking rooms on the same floor must be contiguous and smoke from these rooms must not infiltrate into nonsmoking rooms or other areas where smoking is prohibited. Not more than 25% of the rooms rented to guests in a hotel or motel may be designated as rooms where smoking is allowed. The status of rooms as smoking or nonsmoking may not be changed, except to permanently add additional nonsmoking rooms.
- (5) Enclosed laboratories that are excluded from the definition of "place of employment" in Section 10 of this Act. Rulemaking authority to implement this amendatory Act of the 95th General Assembly, if any, is conditioned on the rules being adopted in accordance with all provisions of the Illinois Administrative Procedure Act and all rules and procedures of the Joint Committee on Administrative

Rules; any purported rule not so adopted, for whatever reason, is unauthorized.

- (6) Common smoking rooms in long-term care facilities operated under the authority of the Illinois Department of Veterans' Affairs or licensed under the Nursing Home Care Act that are accessible only to residents who are smokers and have requested in writing to have access to the common smoking room where smoking is permitted and the smoke shall not infiltrate other areas of the long-term care facility. Rulemaking authority to implement this amendatory Act of the 95th General Assembly, if any, is conditioned on the rules being adopted in accordance with all provisions of the Illinois Administrative Procedure Act and all rules and procedures of the Joint Committee on Administrative Rules; any purported rule not so adopted, for whatever reason, is unauthorized.
- (7) A convention hall of the Donald E. Stephens Convention Center where a meeting or trade show for manufacturers and suppliers of tobacco and tobacco products and accessories is being held, during the time the meeting or trade show is occurring, if the meeting or trade show:
 - (i) is a trade-only event and not open to the
 public;
 - (ii) is limited to attendees and exhibitors that
 are 21 years of age or older;

1	(iii) is being produced or organized by a business
2	relating to tobacco or a professional association for
3	convenience stores; and

(iv) involves the display of tobacco products.

Smoking is not allowed in any public area outside of the hall designated for the meeting or trade show.

This paragraph (7) is inoperative on and after October 1, 2015.

- (8) A dispensing organization, as defined in the Cannabis Regulation and Tax Act, authorized or permitted by a unit local government to allow on-site consumption of cannabis, if the establishment: (1) maintains a specially designated area or areas for the purpose of heating, burning, smoking, or lighting cannabis; (2) is limited to individuals 21 or older; and (3) maintains a locked door or barrier to any specially designated areas for the purpose of heating, burning, smoking or lighting cannabis.
- 18 (9) Temporary events, cannabis clubs, or cannabis

 19 tours licensed under the Local Cannabis Licensing Act.

 20 (Source: P.A. 101-593, eff. 12-4-19.)
- Section 905. The Cannabis Regulation and Tax Act is amended by changing Sections 10-25, 10-35, and 55-25 as follows:

- Sec. 10-25. Immunities and presumptions related to the use of cannabis by purchasers.
 - (a) A purchaser who is 21 years of age or older is not subject to arrest, prosecution, denial of any right or privilege, or other punishment including, but not limited to, any civil penalty or disciplinary action taken by an occupational or professional licensing board, based solely on the use of cannabis if (1) the purchaser possesses an amount of cannabis that does not exceed the possession limit under Section 10-10 and, if the purchaser is licensed, certified, or registered to practice any trade or profession under any Act and (2) the use of cannabis does not impair that person when he or she is engaged in the practice of the profession for which he or she is licensed, certified, or registered.
 - (b) A purchaser 21 years of age or older is not subject to arrest, prosecution, denial of any right or privilege, or other punishment, including, but not limited to, any civil penalty or disciplinary action taken by an occupational or professional licensing board, based solely for (i) selling cannabis paraphernalia if employed and licensed as a dispensing agent by a dispensing organization; (ii) being in the presence or vicinity of the use of cannabis or cannabis paraphernalia as allowed under this Act; or (iii) possessing cannabis paraphernalia.
 - (c) Mere possession of, or application for, an agent identification card or license does not constitute probable

- cause or reasonable suspicion to believe that a crime has been committed, nor shall it be used as the sole basis to support the search of the person, property, or home of the person possessing or applying for the agent identification card. The possession of, or application for, an agent identification card does not preclude the existence of probable cause if probable cause exists based on other grounds.
 - (c-5) Except as provided in Section 11-205.15 of the Illinois Vehicle Code, in any criminal proceeding, no finding or determination of probable cause to believe a crime has been committed shall be based solely on evidence of the following facts and circumstances, either individually or in combination with each other: (i) the odor of cannabis; (ii) the odor of burnt cannabis; (iii) the possession or the suspicion of possession of cannabis in amount authorized under this Act; (iv) the possession of multiple containers of cannabis without evidence of cannabis in amounts in excess of those authorized by this Act; or (v) the presence of cash or currency in proximity to cannabis.
 - (d) No person employed by the State of Illinois shall be subject to criminal or civil penalties for taking any action in good faith in reliance on this Act when acting within the scope of his or her employment. Representation and indemnification shall be provided to State employees as set forth in Section 2 of the State Employee Indemnification Act.
 - (e) No law enforcement or correctional agency, nor any

- person employed by a law enforcement or correctional agency, 1 2 shall be subject to criminal or civil liability, except for willful and wanton misconduct, as a result of taking any 3 action within the scope of the official duties of the agency or 4 5 person to prohibit or prevent the possession or use of cannabis by a person incarcerated at a correctional facility, 6 jail, or municipal lockup facility, on parole or mandatory 7 8 supervised release, or otherwise under the lawful jurisdiction 9 of the agency or person.
- 10 (f) For purposes of receiving medical care, including 11 organ transplants, a person's use of cannabis under this Act 12 does not constitute the use of an illicit substance or 13 otherwise disqualify a person from medical care.
- 14 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.)
- 15 (410 ILCS 705/10-35)
- 16 Sec. 10-35. Limitations and penalties.
- 17 (a) This Act does not permit any person to engage in, and 18 does not prevent the imposition of any civil, criminal, or 19 other penalties for engaging in, any of the following conduct:
- 20 (1) undertaking any task under the influence of 21 cannabis when doing so would constitute negligence, 22 professional malpractice, or professional misconduct;
- 23 (2) possessing cannabis:
- 24 (A) in a school bus, unless permitted for a 25 qualifying patient or caregiver pursuant to the

Τ	Compassionate Use of Medical Cannabis Program Act;
2	(B) on the grounds of any preschool or primary or
3	secondary school, unless permitted for a qualifying
4	patient or caregiver pursuant to the Compassionate Use
5	of Medical Cannabis Program Act;
6	(C) in any correctional facility;
7	(D) in a vehicle not open to the public unless the
8	cannabis is in a reasonably secured, sealed or
9	resealable container and reasonably inaccessible while
10	the vehicle is moving; or
11	(E) in a private residence that is used at any time
12	to provide licensed child care or other similar social
13	service care on the premises;
14	(3) using cannabis:
15	(A) in a school bus, unless permitted for a
16	qualifying patient or caregiver pursuant to the
17	Compassionate Use of Medical Cannabis Program Act;
18	(B) on the grounds of any preschool or primary or
19	secondary school, unless permitted for a qualifying
20	patient or caregiver pursuant to the Compassionate Use
21	of Medical Cannabis Program Act;
22	(C) in any correctional facility;
23	(D) in any motor vehicle;
24	(E) in a private residence that is used at any time
25	to provide licensed child care or other similar social
26	service care on the premises;

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- (G) knowingly in close physical proximity to anyone under 21 years of age who is not a registered medical cannabis patient under the Compassionate Use of Medical Cannabis Program Act;
- (4) smoking cannabis in any place where smoking is prohibited under the Smoke Free Illinois Act;
- (5) operating, navigating, or being in actual physical control of any motor vehicle, aircraft, watercraft, or snowmobile while using or under the influence of cannabis in violation of Section 11-501 or 11-502.1 of the Illinois Vehicle Code, Section 5-16 of the Boat Registration and Safety Act, or Section 5-7 of the Snowmobile Registration and Safety Act;
- (6) facilitating the use of cannabis by any person who is not allowed to use cannabis under this Act or the Compassionate Use of Medical Cannabis Program Act;
- (7) transferring cannabis to any person contrary to this Act or the Compassionate Use of Medical Cannabis Program Act;
- (8) the use of cannabis by a law enforcement officer, corrections officer, probation officer, or firefighter while on duty; nothing in this Act prevents a public employer of law enforcement officers, corrections officers, probation officers, paramedics, or firefighters from prohibiting or taking disciplinary action for the

consumption, possession, sales, purchase, or delivery of cannabis or cannabis-infused substances while on or off duty, unless provided for in the employer's policies. However, an employer may not take adverse employment action against an employee based solely on the lawful possession or consumption of cannabis or cannabis-infused substances by members of the employee's household. To the extent that this Section conflicts with any applicable collective bargaining agreement, the provisions of the collective bargaining agreement shall prevail. Further, nothing in this Act shall be construed to limit in any way the right to collectively bargain over the subject matters contained in this Act; or

(9) the use of cannabis by a person who has a school bus permit or a Commercial Driver's License while on duty.

As used in this Section, "public place" means any place where a person could reasonably be expected to be observed by others. "Public place" includes all parts of buildings owned in whole or in part, or leased, by the State or a unit of local government. "Public place" includes all areas in a park, recreation area, wildlife area, or playground owned in whole or in part, leased, or managed by the State or a unit of local government. "Public place" does not include a private residence unless the private residence is used to provide licensed child care, foster care, or other similar social service care on the premises.

- 1 (b) Nothing in this Act shall be construed to prevent the 2 arrest or prosecution of a person for reckless driving or 3 driving under the influence of cannabis, operating a 4 watercraft under the influence of cannabis, or operating a 5 snowmobile under the influence of cannabis if probable cause 6 exists.
- 7 (c) Nothing in this Act shall prevent a private business 8 from restricting or prohibiting the use of cannabis on its 9 property, including areas where motor vehicles are parked.
- 10 (d) Nothing in this Act shall require an individual or
 11 business entity to violate the provisions of federal law,
 12 including colleges or universities that must abide by the
 13 Drug-Free Schools and Communities Act Amendments of 1989, that
 14 require campuses to be drug free.
- 15 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 16 102-98, eff. 7-15-21.)
- 17 (410 ILCS 705/55-25)

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- Sec. 55-25. Local ordinances. Unless otherwise provided under this Act or under the Local Cannabis Licensing Act or otherwise in accordance with State law:
 - (1) A unit of local government, including a home rule unit or any non-home rule county within the unincorporated territory of the county, may enact reasonable zoning ordinances or resolutions, not in conflict with this Act or rules adopted pursuant to this Act, regulating cannabis

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business establishments. No unit of local government, including a home rule unit or any non-home rule county within the unincorporated territory of the county, may prohibit home cultivation or unreasonably prohibit use of cannabis authorized by this Act.

- (2) A unit of local government, including a home rule unit or any non-home rule county within the unincorporated territory of the county, may enact ordinances or rules not in conflict with this Act or with rules adopted pursuant to this Act governing the time, place, manner, and number of cannabis business establishment operations, including minimum distance limitations between cannabis business establishments and locations it deems sensitive, including colleges and universities, through the use of conditional use permits. A unit of local government, including a home rule unit, may establish civil penalties for violation of an ordinance or rules governing the time, place, and manner of operation of a cannabis business establishment or a conditional use permit in the jurisdiction of the unit of local government. No unit of local government, including a home rule unit or non-home rule county within unincorporated territory of the county, an unreasonably restrict the time, place, manner, and number of cannabis business establishment operations authorized by this Act.
 - (3) A unit of local government, including a home rule

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unit, non-home rule county within or any the unincorporated territory of the county may authorize or permit the on-premises consumption of cannabis at or in a dispensing organization or retail tobacco store defined in Section 10 of the Smoke Free Illinois Act) within its jurisdiction in a manner consistent with this Act. A dispensing organization or retail tobacco store authorized or permitted by a unit of local government to allow on-site consumption shall not be deemed a public place within the meaning of the Smoke Free Illinois Act.

- (4) A unit of local government, including a home rule unit or any non-home rule county within the unincorporated territory of the county, may not regulate the activities described in paragraph (1), (2), or (3) in a manner more restrictive than the regulation of those activities by the State under this Act. This Section is a limitation under subsection (i) of Section 6 of Article VII of the Illinois Constitution on the concurrent exercise by home rule units of powers and functions exercised by the State.
- (5) A unit of local government, including a home rule unit or any non-home rule county within the unincorporated territory of the county, may enact ordinances to prohibit or significantly limit a cannabis business establishment's location.
- 25 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.)
- Section 999. Effective date. This Act takes effect upon

becoming law.