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MAYOR LIGHTFOOT INTRODUCES ORDINANCE TO ESTABLISH LICENSE FOR SAFE, DESIGNATED CANNABIS CONSUMPTION SITES IN CHICAGO

New ordinance marks the first step to establish where cannabis consumption businesses will be allowed in Chicago; City to provide direct financial assistance, workforce development initiatives and community workshops to local entrepreneurs

CHICAGO — As part of the City's ongoing efforts to expand economic opportunity across Chicago's communities and bring more entrepreneurs into the emerging industry, Mayor Lori E. Lightfoot today introduced an ordinance to establish licenses for safe and designated consumption sites throughout the city. Issued by the Department of Business Affairs and Consumer Protection (BACP), the first-of-its-kind license will be available to specialty tobacco shops that make 80% of their revenue from tobacco-related products.

The newly proposed ordinance represents the first steps towards establishing cannabis consumption businesses within the guidelines of the State regulations. This proposed license ensures that residents across Chicago have the opportunity to access sites where they can safely use cannabis, with licenses limited to specialty tobacco shops – many of which already permit smoking – to ensure a responsible rollout. The Mayor's Office continues to work with community advocates, industry and social equity leaders to consider smart and effective regulations for on-site consumption in dispensaries, which is expected to be introduced next year as new social equity applicants receive their licenses from the state.

“As the City prepares for legalization of adult use cannabis next month, we are working alongside the State and taking every effort to stand this industry up in a way that is safe, responsible and offers the maximum level of opportunity for Chicago's residents and businesses,” said Mayor Lightfoot. “With this legislation, more entrepreneurs will be eligible to participate in the cannabis economy, including those who have borne the brunt of the War on Drugs, and Chicago's residents will have the opportunity to consume cannabis in a safe location.”

To build on Mayor Lightfoot's efforts to ensure social equity is at the core of Chicago's cannabis framework, the City is also dedicating direct financial assistance



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to small businesses through various programs, including the Neighborhood Opportunity Fund (NOF), the Small Business Improvement Fund (SBIF), the Catalyst Fund and through Tax Increment Financing (TIF). Additionally, the Mayor's Office has been working with the Department of Family and Support Services (DFSS) and the Chicago Cook Workforce Partnership to establish workforce development initiatives for residents interested in pursuing this new industry. Furthermore, BACP will offer business education workshops in early 2020 specifically for entrepreneurs interested in joining the cannabis economy.

“Chicago’s consumption license program will provide an opportunity for entrepreneurs looking to participate in the new business of recreational cannabis consumption under a strong regulatory scheme,” said Rosa Escareno, BACP Commissioner. “We are excited to take the lead in developing regulations that promote economic opportunity while ensuring public consumption of cannabis will take place safely and responsibly.”

The cannabis consumption license ordinance creates regulations for non-smoking consumption of cannabis as well as on-premises smoking at freestanding businesses that meet key requirements. Consistent with the Smoke Free Illinois Act and City of Chicago Clean Air Act, on-premises smoking will only be authorized for businesses in stand-alone buildings and with the approval of the Department of Buildings to ensure the requisite ventilation systems are in place. To preserve the unique character of Chicago’s downtown area, cannabis consumption licenses will not be permitted in the Downtown Cannabis Exclusion Zone, as established in the Chicago municipal zoning code last month.

To maintain safety at all cannabis consumption establishments, licensees will be required to establish a City-approved safety plan. Similar to liquor establishments, licensees must have employees present that are trained in safe consumption, recording and reporting illegal activity, and ensuring occupancy and fire safeguards. Establishments will not be permitted to sell alcohol or offer BYOB alongside cannabis consumption, and cannot operate after 2:00 a.m. (3:00 a.m. on Sunday mornings). All businesses licensed for sales or consumption must be at least 500 feet from schools and other licensed consumption locations. Additionally, BACP will work with the Chicago Department of Public Health (CDPH) to establish appropriate health warnings to be displayed at each licensed consumption establishment.

“The legalization of cannabis in 2020 presents a unique opportunity to ensure we stand-up this new city industry in a way that is responsible and inclusive,” said 40th Ward Alderman Andre Vasquez. “This ordinance guarantees community members will have a say in how consumption will be authorized where they live, and represents an important step forward in our journey towards expanding equity and



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opportunity across our city, particularly in our historically underserved communities. I look forward to continuing to work alongside the administration, small business leaders, and community stakeholders in that effort.”

Analogous to the strong regulatory requirements in place for liquor license applications, the cannabis consumption license process will require a 35-day public comment period to ensure a robust opportunity for feedback to be received from the community, the Chicago Police Department, and local alderman on safety or other concerns before licenses can be issued. Furthermore, the licensing scheme will build strong compliance requirements, similar to those for tobacco establishments, including the ability for BACP to revoke licenses due to three violations within a 24-month period. The two-year license will have a \$4,400 fee for every applicant.

“Today marks an important step forward towards ensuring small businesses sprout from this emerging industry and benefit from this new wave of economic growth,” said Edie Moore, Executive Director of Chicago NORML (National Organization for the Reform of Marijuana Laws). “We will continue to work with Mayor Lightfoot and our local legislators to ensure Chicago’s entrepreneurs have the support they need and deserve to thrive in this new industry.”

The Cannabis Consumption License was developed through a partnership with community advocates, business leaders, policy experts and cannabis professionals. This license represents the latest in Mayor Lightfoot’s efforts to roll out adult-use cannabis in an equitable and safe manner for all communities, and follows on the passage of Chicago’s first zoning requirements for the legalization of cannabis, as well as an ordinance passed last month to reform and decriminalize cannabis enforcement policies of the past before legalization on January 1.

“The City of Chicago has an obligation to ensure that legalized cannabis propels new opportunities for the same Black and Brown communities that were victimized by unjust policies of the past, while working within the guidelines passed by the State,” said City Council Licensing Committee Chair, Alderman Emma Mitts. “While we still have a long way to go in ensuring that industry ownership reflects the diversity of our communities, this is an important step to make sure that the cannabis economy is open to everyone.”

To ensure all residents have access to the latest guidance by medical experts regarding the use of cannabis products, CDPH has recently established the “Cannabis Facts Chicago” campaign to provide precautionary guidance ahead of the legalization of adult-use cannabis. While those over 21 years of age will be able to legally consume cannabis, the City of Chicago is urging responsible consumption, warning that products can be much more potent than in the past and overuse can



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have serious health consequences, especially for youth and young adults. For more information on cannabis legalization in the City of Chicago visit the [Chicago Cannabis Information](#) webpage on the City of Chicago website.

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