The State of Illinois passed a new law this year regarding the production and use of medical cannabis. What is permitted under the new state law?

Statutory Overview

- The Compassionate Use of Medical Cannabis Pilot Program Act (the “Act”) became effective January 1, 2014. The full text of the Act is available [here](#).
- The Act allows only those patients with qualifying medical conditions (e.g. treating or alleviating the pain, nausea, and other symptoms associated with a variety of debilitating medical conditions, including cancer, multiple sclerosis, and HIV/AIDS) to obtain a recommendation from a physician for medical cannabis use. Physicians cannot prescribe marijuana, only make a recommendation.
- Patients may use this recommendation to apply to the State of Illinois for an identification card granting permission to purchase and legally use medical marijuana.
- The Act provides for the establishment of 22 cultivation centers (where the marijuana is grown) and 60 dispensaries (where the marijuana is sold to eligible patients).
- The Act is regulated by three departments of the State of Illinois: the Department of Health, the Department of Agriculture, and the Department of Financial and Professional Regulation. These departments are required to enact rules to implement the Act, which were finalized and ready for implementation on July 15, 2014.
- The Act preempts the Village’s authority to impose its own regulations, except in the limited area of enacting reasonable zoning regulations or resolutions that do not conflict with the rules adopted by the State. The Village cannot unreasonably prohibit the cultivation, dispensing and use of medical cannabis in conflict with the Act.

What are the State’s mandates that are imposed on the Village of Glenview?

- No municipality, home rule or otherwise, may impose zoning ordinances, special use permits, conditions or requirements that conflict with the Act or the rules prepared by the Illinois Department of Finance and Professional Regulation and adopted by the Joint Commission on Administrative Rules (the “Rules”) on July 15, 2014.
- The Illinois Department of Finance and Professional Regulation is the body with sole authority to award a dispensary license.
- Dispensary operations will be overseen jointly by the Illinois Department of Finance and Professional Regulation, the Illinois Department of Agriculture, and the Illinois Department of Health.
- Glenview cannot impose unreasonable restrictions on the location of dispensaries contrary to the mandate of the Act or the Rules that dispensaries be geographically dispersed throughout the State to allow all registered and qualified patients reasonable proximity and access to a dispensary.
The Act and the Rules provide that a dispensary may not be located within 1,000 feet of the property line of a pre-existing private or public preschool, primary or secondary school, day care center, day care home, group day care home, or part day child care facility.

A medical cannabis dispensing organization may not be located in a house, apartment, condominium or an area zoned for residential use.

*How can Glenview further regulate medical cannabis uses within its corporate limits?*

**Glenview’s Regulation of Medical Cannabis**

- In response to the Act, Glenview enacted an ordinance designating as a conditional use, and only permitting cultivation centers and dispensaries in the 1-2 Light Industrial District.

- A conditional use is the use of land, a building, or a structure that, because of its unique characteristics, can only be permitted in a particular zoning district through a special approval process.

- The approval process begins with the Village’s Plan Commission, which considers seven categories of criteria set out in the Village Code before making a recommendation to the Village Board as to whether to grant or deny the conditional use. Some of the criteria considered include:
  - Whether the use will affect a significant change in the neighborhood;
  - Impact on property values in adjoining areas;
  - The size and intensity of the use;
  - Whether the use will unreasonably hinder or discourage development of nearby land and buildings;
  - Sufficiency of parking and prevention of traffic hazards; and
  - Compliance with applicable bulk regulations

- Issues that are relevant and would need to be addressed through the conditional use process include parking, signage, access, screening, and modifications of building layout that do not conflict with the Act or the Rules, such as locating the main entrance away from the main street.

- Issues that are not considered part of a conditional use review include public perception of the proposed use and whether the proposed use is morally right or wrong.

- The Village cannot regulate the proposed use in a manner that conflicts with the Act or Rules, or unfairly burdens the proposed use.

- The burden is on the applicant to show that it meets the criteria for the conditional use. Objectors may attempt to demonstrate that the applicant has not met its burden.

- The Village Board would then consider the recommendation of the Plan Commission and make a final determination on the adoption of a conditional use ordinance.
What is a medical cannabis cultivation center?

Cultivation Centers

- Definition – a facility operated by an organization or business that is registered by the Department of Agriculture to perform necessary activities to provide only registered medical cannabis dispensing organizations with usable medical cannabis.
- A medical cannabis cultivation center may not be located within 2,500 feet of the property line of a pre-existing public or private preschool or elementary or secondary school or day care center, day care home, group day care home, part day child care facility, or an area zoned for residential use.
- Because of these restrictions, it is highly unlikely there would be any space within the Village that could accommodate a cultivation center.

What is a medical cannabis dispensary organization?

Dispensaries

- Definition – a facility operated by an organization or business that is registered by the Department of Financial and Professional Regulation to acquire medical cannabis from a registered cultivation center for the purpose of dispensing cannabis, paraphernalia, or related supplies and educational materials to registered qualifying patients.
- A medical cannabis dispensary may not be located within 1,000 feet of the property line of a pre-existing public or private preschool or elementary or secondary school or day care center, day care home, group day care home, or part day child care facility. A medical cannabis dispensing organization may not be located in a house, apartment, condominium or an area zoned for residential use.
- The Act provides that dispensaries are to be geographically dispersed throughout the State.
- Under the Rules, New Trier and Northfield Townships combined shall be allocated one dispensary; and Maine and Wheeling Townships combined shall be allocated one dispensary.
- While parts of all four of these townships are inside the Village’s corporate boundaries, it is highly unlikely that two dispensaries would locate within the Village because of the Act’s dispersal requirements and the Village’s zoning restrictions.
- The Department of Financial and Professional Regulation will ultimately decide which applicant will be licensed as a dispensary, but a license cannot be issued unless the applicant complies with distance requirements and receives local approval.
**Under the State’s requirements where could a potential medical cannabis dispensary locate in Glenview?**
- Within the corporate limits of Glenview, a medical cannabis dispensary could locate in any of the areas shaded in gray on the map below.

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**What is the current proposal for locating a dispensary in the Village of Glenview?**
- Applicant is an organization called Greenleaf Organics, which seeks to locate a dispensary at 3240 West Lake Avenue (Northwest corner of West Lake Avenue and Pickwick Avenue).
- The property is zoned I-2, and is not within 1,000 feet of an existing school or daycare facility.
- While not considered a daycare or school by definition, the Youth Services of Glenview / Northbrook building is located more than a 1,000 feet to the east of the proposed use.
- 3240 West Lake Avenue is an existing building. The only anticipated changes to the building would be installation of the security system and lighting required by state law.
- State law limits hours of operation to between 6:00 a.m. and 8:00 p.m.
- State law prohibits consumption of cannabis products on-site.
- One dispensary license will be permitted in New Trier and Northfield Townships combined. There are multiple applicants for this dispensary license in addition to the applicant in Glenview.
In addition to seeking zoning approval from Glenview, the applicant must be selected from amongst its competition by the Illinois Department of Finance and Professional Regulation.

**Could there be more dispensary proposals to locate in the Village of Glenview?**

- The Village of Glenview has received several calls from different entities interested in locating a dispensary here.
- Glenview will review all proposals and applications for a conditional use for locating a dispensary and host the required public hearings and gather public input.
- Regardless how many applications that Glenview may approve, the State will only approve one license for a dispensary located within New Trier and Northfield Townships combined.

**What if I feel the proposed dispensary should not be located on a route that takes students to and from school, or located near businesses that cater to children?**

- The Act only requires that a dispensary not be located closer than 1,000 feet from the property line of a pre-existing private or public preschool, primary or secondary school, day care center, day care home, group day care home, or part day child care facility.
- The Act does not require that a dispensary be located any particular distance from school routes or businesses that cater to children.
- The Act prohibits the Village of Glenview from imposing additional requirements regarding distance from routes to schools or distance from businesses that cater to children.

**What if I feel the proposed dispensary is too close to my home?**

- The Act only requires that a dispensary not be located in an area zoned for residential use.
- The Act does not require that the dispensary be located any particular distance from an area zoned for residential use.
- The Act prohibits the Village of Glenview from imposing a requirement that a dispensary be located any particular distance from an area zoned for residential use.
Who else can I contact regarding concerns I have with a proposed medical cannabis use?

- You can contact the Illinois Department of Finance and Professional Regulation, which has the sole authority to award licenses for dispensaries and cultivation centers:
  - General number: 1-888-473-4858
  - Springfield Office: 1-217-785-0820
  - Chicago Office: 1-312-814-4500
  - E-mail: FPR.MedicalCannabis@illinois.gov

How does a potential operator obtain a license from the State of Illinois and what are the operating requirements that need to be followed?

Dispensary Application Requirements

- Payment of a $5,000.00 application fee;
- Extensive information required concerning the principals, corporate structure, training, patient education and business plans, including criminal background checks;
- Details of the proposed security plan for the facility that will be used to secure the premises, agents, patients and currency, and avoid diversion, theft or loss of cannabis;
- Details of the proposed inventory control plan, and patient recordkeeping plan and verification system;
- Documentation of the status of the local zoning approval process, as well as a map of the area surrounding the proposed dispensary extending a minimum of 1,000 feet from the property line in all directions demonstrating appropriate distance from pre-existing preschool, elementary and secondary schools and registered day care centers, day care homes, group day care homes and part day child care facilities;
- General specifications for the facility’s internal and external layouts; and
- Documentation that the applicant has at least $400,000.00 in liquid assets under its control for each application.

Selection Criteria

- Licenses will be awarded on a competitive basis following the Department of Professional and Financial Regulation’s review of all applications for a particular locality;
- Suitability of the location for public access;
- An adequate security and recordkeeping plan;
- Sufficiency of business, financial and operating plans; and
- The applicant’s knowledge and experience in the cannabis industry.

Operations

- Successful applicant must pay a $30,000.00 registration fee and post a bond;
- The dispensary must comply with all State and local building, fire and zoning requirements or regulations;
- All cannabis and cannabis infused products must be obtained from a registered Illinois cultivation center; and
The dispensary may only operate between 6:00 a.m. and 8:00 p.m., and must maintain sufficient lighting both inside and outside the facility to operate security cameras.

The dispensary may not:
- Produce or manufacture cannabis;
- Allow consumption of cannabis at the dispensary;
- Sell cannabis or cannabis infused products to anyone without an ID card issued by the Illinois Department of Health;
- Operate drive-through windows;
- Deliver cannabis to residences of qualified patients or caregivers;
- Operate the dispensary if video surveillance or point of sale equipment is inoperative;
- Have fewer than two people working at the dispensary at any time while the dispensary is open.

**Security Requirements**

The dispensary shall implement security measures to deter and prevent entry into and theft from restricted access areas containing cannabis or currency.

The dispensary must:
- Have a locked door or barrier between the facility’s entrance and the limited access area where cannabis is dispensed;
- Prevent persons from remaining on the premises if not actively engaged in purchasing cannabis;
- Develop a policy to address the maximum capacity and patient flow in waiting rooms and patient care areas;
- During business hours, store all cannabis in a restricted access area accessible only to authorized agents;
- When closed, store all cannabis and currency in a secure, locked safe or vault;
- Keep an electronic daily log of agents with access to the safe or vault;
- Keep all locks and security equipment in good working order;
- Keep the security system operational at all times;
- Ensure that the perimeter of the facility is sufficiently lit to permit surveillance;
- Ensure that landscaping does not allow for a person to conceal themselves from sight; and
- Develop emergency procedures and policies for securing all product and currency following an instance of diversion, loss or theft of cannabis.

The dispensary must have:
- A perimeter alarm on all entry points and perimeter windows;
- An alarm failure notification system;
- A duress alarm, panic button and alarm, holdup alarm, or after hours intrusion alarm that will notify the local police;
- Unobstructed video surveillance of all exterior and enclosed dispensary areas that allows for facial recognition of all persons entering or exiting the dispensary area in all lighting conditions;
- Twenty-four hour recordings from all video cameras that are maintained for a minimum of 90 days and that have embedded date and time stamps;
- The ability to print clear color still photos from the surveillance video; and
The ability to operate even in a power outage, including all access doors not being solely controlled by an electronic access panel.

Will medical cannabis be taxed by the State and locally by the Village of Glenview?

Taxation
- Cannabis will be taxed at the 1% pharmaceutical rate.
- Cultivation centers will be taxed at the rate of 7% of the sales price per ounce, and will be deposited into the Compassionate Use of Medical Cannabis Fund. This tax is paid by the cultivation center, and is not the responsibility of the dispensary or patient.
- Local government may impose an occupation or privilege tax in addition to any state taxes. Medical cannabis is classified as “prescription and nonprescription medicines and drugs” for tax purposes. At this time, the Village of Glenview does not impose a separate tax for medical cannabis.