



# Office of the City Clerk

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## Legislation Details (With Text)

**File #:** O2019-5604  
**Type:** Ordinance **Status:** Failed to Pass  
**File created:** 7/24/2019 **In control:** City Council  
**Final action:** 5/24/2023  
**Title:** Amendment of Municipal Code Title 3 by adding new Chapter 3-51 entitled "Cannabis Tax Ordinance"  
**Sponsors:** O'Shea, Matthew J., Reilly, Brendan, Lopez, Raymond A., Mitts, Emma, Napolitano, Anthony V., Sposato, Nicholas, Gardiner, James M., Curtis, Derrick G., Silverstein, Debra L., Sadlowski Garza, Susan, Moore, David H., Harris, Michelle A., Waguespack, Scott  
**Indexes:** Ch. 51 Cannabis Tax  
**Attachments:** 1. O2019-5604.pdf

Date	Ver.	Action By	Action	Result
5/24/2023	1	City Council	Failed to Pass	
7/24/2019	1	City Council	Referred	

### ORDINANCE

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

SECTION 1. Title 3 of the Municipal Code of Chicago is hereby amended by adding a new Chapter 3-51, as follows:

#### CHAPTER 3-51 CANNABIS TAX

##### 3-51-010 Title.

This chapter shall be known and may be cited as the "Cannabis Tax Ordinance". The taxes imposed by this chapter are imposed in addition to all other taxes imposed by the City of Chicago, the State of Illinois or any other municipal corporation or political subdivision of the State of Illinois. Nothing in this chapter shall be construed to impose a tax upon any business or activity which, under the constitutions of the United States and the State of Illinois, may not be made the subject of taxation by the City.

##### 3-51-020 Definitions.

The following definitions shall apply for purposes of this chapter,

"Cannabis" has the meaning ascribed to that term in Section 1-10 of P.A. 101-0027, the Cannabis Regulation and Tax Act.

##### 3-51-030 Tax imposed.

A tax is imposed on all persons engaged in the business of selling cannabis at retail in the City, pursuant to the Municipal Cannabis Retailers' Occupation Tax Law, 65 ILCS 5/8-11-22. The rate of the tax

shall be three percent on the gross receipts from sales of cannabis made in the course of such business.

### **3-51-040 Rules, regulations and collection - Enforcement by state.**

Pursuant to the Municipal Cannabis Retailers' Occupation Tax Law, 65 ILCS 5/8-11-22, the Illinois Department of Revenue shall have full power to collect, administer and enforce the tax imposed by Section 3-51-030 of this chapter and all civil penalties that may be assessed as an incident thereof for and on behalf of the City.

### **3-51-050 Sales not subject to tax.**

Cannabis purchased under the Compassionate Use of Medical Cannabis Pilot Program Act, 410 ILCS 130/1, et seq., is not subject to the Cannabis Tax Ordinance pursuant to the Municipal Cannabis Retailers' Occupation Tax Law, 65 ILCS 5/8-11-22.

Page 1 of 2

### **3-51-060 Usage of cannabis tax revenue.**

Any tax revenue received by the City pursuant to this Chapter, net of any refunds and other expenses, shall be used to satisfy the City's contribution obligations to any one or more of the City's Annuity and Benefit Funds established under Articles 5, 6, 8, and 11 of the Illinois Pension Code, codified at 40 ILCS 5/ et seq. Decisions regarding which of the Fund(s) to distribute to, and the relative amounts of distributions, shall be made from time to time by a majority of the Budget Director, Comptroller and Chief Financial Officer. The Chief Financial Officer or her designee is authorized to enter into agreements with the Funds to effectuate the transfer of funds for this purpose.

Page 2 of 2

SECTION 2. This ordinance shall take effect upon its passage and publication.

