
**VILLAGE OF SUGAR GROVE
BOARD REPORT**

TO: VILLAGE PRESIDENT & BOARD OF TRUSTEES
FROM: WALTER MAGDZIARZ, COMMUNITY DEVELOPMENT DIRECTOR
SUBJECT: DISCUSSION: CANNABIS BUSINESS OPPORTUNITIES
AGENDA: JUNE 6, 2023 VILLAGE BOARD MEETING
DATE: MAY 30, 2023

ISSUE

Shall the Village Board discuss opportunities for establishing cannabis businesses in the Village.

DISCUSSION

The Village Board last discussed cannabis businesses on October 15, 2019 but that discussion was focused entirely on dispensing organizations, commonly referred to as dispensaries. Prior to that meeting, this item also was discussed at the August 6, 2019 and October 1, 2019 Board meetings. Additional background information is available in the Board Reports for those discussions.

Now, the Village has been approached by an infuser organization, as defined by the Cannabis Regulation and Tax Act (410 ILCS 705/), concerning the possibility of establishing a location in Sugar Grove.

An "infuser organization" or "infuser" means a facility operated by an organization or business that is licensed by the Illinois Department of Agriculture to directly incorporate cannabis or cannabis concentrate into a product formulation to produce a cannabis-infused product. Cannabis-infused product means a beverage, food, oil, ointment, tincture, topical formulation, or another product containing cannabis or cannabis concentrate that is not intended to be smoked. (Cannabis Regulation and Tax Act (410 ILCS 705/)).

The Cannabis Regulation and Tax Act differentiates infuser organizations from processing organizations. "Processing organization" or "processor" means a facility operated by an organization or business that is licensed by the Department of Agriculture to either extract constituent chemicals or compounds to produce cannabis concentrate or incorporate cannabis or cannabis concentrate into a product formulation to produce a cannabis product.

The Cannabis Regulation and Tax Act identifies and defines five different groups or categories of cannabis business:

- dispensing organizations (retail)
- cultivation center
- infuser organizations
- processing organizations, and
- transportation organizations

While cannabis businesses are strictly regulated by the State, the Act allows municipalities to decide whether recreational cannabis businesses are allowed to operate within their boundaries and to develop regulations for establishing and operating such uses. The Village can choose to exclude any or all types of cannabis businesses. The State's cannabis tax is only collected from the dispensing (retail) organizations.

If the Village Board is inclined to permit cannabis infuser organizations in the community, the Zoning Ordinance will need to be amended to add this use to the preferred zoning districts and any additional requirements the Village may want to impose on this use if they locate in the Village. Should the Board choose this option, Village staff will initiate the zoning amendment process and prepare documents for the Planning Commission to consider and make a recommendation to the Village Board.

COSTS

There are no costs with the requested action.

RECOMMENDATION

That the Village Board provide input and direction to Village staff in order to prepare the appropriate documents, as needed.