ORDINANCE NO. 1761

ORDINANCE AMENDING CHAPTER 119 OF THE FULTON CODE OF ORDINANCE FOR THE REGULATION OF RECREATIONAL CANNABIS AND CANNABIS BUSINESS ESTABLISHMENTS

WHEREAS, the Illinois legislature has adopted the Cannabis Regulation and Tax Act, 410 ILCS 705/1-1 et. seq. (the "Act"), which legalizes the cultivation, sale, purchase, use and consumption of cannabis for recreational purposes; and

WHEREAS, Section 55-25 of the Act authorized a unit of local government to, among other things, adopt rules regulating the time, place, manner and number of cannabis business establishment operations, and to regulate the on-premises consumption of cannabis at or in a cannabis business establishment, all as more specifically set forth in the Act; and

WHEREAS, the City of Fulton (the "City") is a unit of local government as such term is used in the Act; and

WHEREAS, the Mayor and City Council of the City of Fulton (collectively, the "Corporate Authorities"), have discussed the needs of the City with respect to the regulation of recreational cannabis and cannabis business establishments within the City limit; and

WHEREAS, the Corporate Authorities deem it in the best interests of the City to amend the Fulton Municipal Code (the "City Code") to provide for the regulation of recreational cannabis and cannabis business establishments within the city.

NOW, THEREFORE, be it Ordained by the Mayor and City Council of the City of Fulton, as follows:

SECTION ONE: Chapter 119 of the City Code is amended as follows:

A. Section 119.005 of the City Code is deleted and replaced with the following text:

"**119.005: Business Fee Required**.

1. It is unlawful to grow, cultivate, transfer, distribute, process, sell or offer for sale in the City any cannabis without first having registered with the City and paid a business fee pursuant to this Chapter as a cannabis business establishment, or in violation of any license issued by the State of Illinois.

2. An application as a cannabis business establishment as defined by this Chapter shall be made to the Mayor in writing on the form or forms prepared by the City, and shall be signed by the applicant or a duly authorized agent thereof.

3. The application shall, at a minimum, contain such information as is required by the City and shall be accompanied by a non-refundable business fee as provided in this Chapter.

4. No applicant shall operate a cannabis business establishment unless the applicant has applied for and received a license from the State of Illinois for the growing, cultivation, transfer, distribution, process, infusion or sale of cannabis as provided in the Cannabis Regulation and Tax Act (410 ILCS 705/1-1, et seq.) and all the requirements of this Chapter have been satisfied.

5. No applicant shall operate a cannabis business establishment unless the premises on which the growing, cultivation, transfer, distribution, process, infusion or sale of cannabis is proposed to occur complies in all respects with the applicable zoning ordinance for the City."

B. Section 119.010 of the City Code is deleted and replaced with the following text:

"119.010: Cannabis Business Establishment classifications and fees.

Cannabis business establishment applicants within the City shall be divided into the following classes:

1. Craft grower:

   a. A craft grower is a cannabis business establishment licensed by the State of Illinois to operate as a craft grower, as such term is defined in the City Code.

   b. The initial business fee for a craft grower payable to the City shall be $12,500.00. The annual business fee payable to the City for a craft grower shall be $12,500.00.

   c. There shall be no more than one (1) craft grower in operation within the City at any given time.

2. Cultivation center:

   a. A cultivation center is a cannabis business establishment licensed by the State of Illinois to operate as a cultivation center, as such term is defined in the City Code.

   b. The initial business fee for a cultivation center payable to the City shall be $12,500.00. The annual business fee for a cultivation center payable to the City shall be $12,500.00.

   c. There shall not be more than one (1) cultivation center in operation within the City at any given time.

3. Dispensing organization:

a. A dispensing organization is a cannabis business establishment licensed by the State of Illinois to operate as a dispensing organization, as such term is defined in the City Code.

b. The initial business fee for a dispensing organization payable to the City shall be $12,500.00. The annual business fee for a dispensing organization payable to the City shall be $12,500.00. Any dispensing organization desiring to operate on a Sunday shall pay an additional business fee to the City of $2,500 annually.

c. There shall not be more than one (1) dispensing organization in operation within the City at any given time.

4. Processing/infuser organization

a. A processing/infuser organization is a cannabis business establishment licensed by the State of Illinois to operate as a processing/infuser organization, as such term is defined by the City Code.

b. The initial business fee for a processing/infuser organization payable to the City shall be $12,500.00. The annual business fee for a processing/infuser organization payable to the City shall be $12,500.00.

c. There shall not be more than one (1) processing/infuser organization in operation within the City at any given time.

5. Transporting organization

a. A transporting organization is a cannabis business establishment licensed by the State of Illinois to operate as a transporting organization, as such term is defined by the City Code.

b. The initial business fee for a transporting organization payable to the City shall be $12,500.00. The annual business fee for a transporting organization payable to the City shall be $12,500.00.

c. There shall not be more than one (1) transporting organization in operation within the City at any given time."

C. Section 119.015 of the City Code is deleted and replaced with the following text:

"119.015: Records

1. The City Clerk shall keep or cause to be kept a complete record of all cannabis business establishments in operation within the city and the business fees paid by same.

2. The business fee paid by any cannabis business establishment shall not be transferrable to any other person, firm, or corporation.

3. The business fee paid by any cannabis business establishment pursuant to this Chapter shall be prorated based upon the period of time remaining on the annual term of the fee."

C. Section 119.020, subsection 1 of the City Code shall be amended to replace the text "Applications for a cannabis retail sales license" with the text "Applications to operate as a cannabis business establishment" in the first sentence of said subsection; and shall be further amended to delete the word "licensee" from the second sentence of said subsection."

D. Section 119.025 of the City Code shall be amended to delete the words "Nature of license" from the caption of said section and shall be further amended as follows:

1. Subsection 1 shall be amended to replace the text with the following text: "Operation as a cannabis business establishment shall be purely a privilege and said business may continue to operate within the City only so long as the business is in compliance with all requirements of its state-issued license and the City Code. A cannabis business establishment shall cease to operate within the City upon revocation of its state issued license, failure to pay the annual business fee required by the City Code, failure to comply with all other requirements of this City Code, or upon the death, or insolvency or cessation of operation of the cannabis business establishment or filing for bankruptcy protection."

2. Subsection 2 shall be amended to replace the text "licensee" with "cannabis business establishment" and shall be further amended to add the text "state issued" prior to the word "license" each place the word "license" appears.

3. Subsection 3 shall be amended to replace the text "licensee's" with the text "cannabis business establishment's" and the text "license" with "cannabis business establishment's privilege to operate" in the first sentence of said section. Subsection 3 shall be further amended to replace the text "license" in the final sentence of the subsection with the text "cannabis business establishment".

E. Section 119.030 of the City Code shall be deleted and replaced with the following text:

"119.30: Annual Renewal

1. Any cannabis business establishment operating within the City shall submit a renewal application to the Mayor and pay the applicable business fee on an annual basis, after which the cannabis business establishment shall be permitted to continue its operation

within the city provided that the premises in which said business operates is zoned and suitable for such purposes; and further, that the renewal privilege herein provided for shall not be construed as a vested right which shall in any case prohibit the Mayor and City Council from decreasing the number of cannabis business establishments permitted to operate within the City. No cannabis business establishment can continue to operate within the City unless the cannabis business establishment and its premises are in full compliance with the requirements of this Chapter, the City Code and all laws of the State of Illinois."

2. The renewal application shall be on a form prescribed by the Mayor. Additionally, all cannabis business establishments or an authorized representative thereof, are required to attend an annual meeting convened by the Mayor."

F. Section 119.035 of the City Code shall be amended to replace the text "retail sales license" with "cannabis business establishment" and shall insert the text "state issued" prior to word "license".

G. Section 119.040 of the City Code shall be amended as follows:

1. Subsection 1 shall be amended to replace the text "any license issued" with "a cannabis business establishment's operation within the City"; and shall be further amended to replace the word "licensee" with "cannabis business establishment" in each place where the word "licensee" occurs.

2. Subsection 2 shall be amended to replace the text "licensee" with the text "cannabis business establishment" in each place where the word "licensee" occurs; and shall be further amended to replace the text "during the period of the license" with "per annum".

3. Subsection 3 shall be amended to replace the text with the following text: "Every cannabis business establishment application and business fee shall be valid from the date of application to the following May 1 of each year."

4. Subsection 4 shall be amended to replace the text with the following text: "If a cannabis business establishment does not commence operations within a period of one hundred and eighty (180) days from the date of its application, then the cannabis business establishment's privilege to operate a cannabis business within the City shall be subject to revocation in the sole discretion of the Mayor."

5. Subsection 5 shall be amended to replace the text "any license issued" with the text "a cannabis business establishment's privilege to operate a cannabis business".

6. Subsection 6 shall be amended to replace the text "license" with the text "a cannabis business establishment's privilege to operate a cannabis business"; and shall be further amended to replace the text "licensee" with the text "cannabis business establishment".

7. Subsection 7 shall be amended to replace the text "licensee" with the text "cannabis business establishment".

8. Subsection 8 shall be amended to replace the text "licensed" and "licensee" with the text "cannabis business establishment" in each place where the word "licensed" or "licensee" appears.

9. Subsection 9 shall be amended to replace the text "license" with the text "cannabis business establishment's privilege to operate a cannabis business within the City"; and shall be further amended to replace the text "licensee" with the text "cannabis business establishment" in each place where the word "licensee" appears.

H. Section 119.045 of the City Code shall be amended as follows:

1. The Caption of the Code Section shall be amended to replace the text "licenses" with the text "cannabis business establishment".

2. Subsection 1 shall be deleted and replaced with the following text:

"1. In the event that the Mayor revokes a cannabis business establishment's privilege to operate a cannabis business within the city, or the cannabis business establishment surrenders its privilege, then the Mayor may decide to award said privilege to another applicant whose application is on a wait list maintained by the Mayor for consideration of awarding the privilege to operate a cannabis business establishment within the city, or may not award that privilege and may hold it."

I. Section 119.050 of the City Code shall be amended as follows:

1. Subsection 2 shall be amended to replace the text "licensees" with the text "cannabis business establishment" in each place where the word "licensee" appears; and shall be further amended to replace the text "licensed" with the text "cannabis business establishment's" in each place where the word "licensed" appears.

J. Section 119.055 of the City Code shall be amended to replace the text "licensee" with the text "cannabis business establishment" in each place where the word "licensee" occurs.

SECTION 2: The provisions and sections of this Ordinance shall be deemed to be separable and the invalidity of any portion of this Ordinance shall not affect the validity of the remainder.

SECTION 3: The City Clerk is directed to publish this Ordinance in pamphlet form.

SECTION 4: This Ordinance shall be in full force and effect from and after its passage and approval and publication as required by law.

PASSED by the Mayor and City Council of the City of Fulton, Whiteside County, Illinois, on the 12th day of May, 2025, and deposited and filed in the office of the City Clerk in said City on that date pursuant to roll call vote as follows:

Elected Alderman: Ken 7

Ayes; Ken 6

Nays: 0

Absent: 1

Tori Wade

City Clerk of the City of Fulton, Illinois

APPROVED BY THE Mayor of the City of Fulton, this 12th day of May 2025

Mayor of the City of Fulton, Illinois

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