

Request For Board Action

REFERRED TO BOARD: November 18, 2019

AGENDA ITEM NO: 11

ORIGINATING DEPARTMENT: Administration

SUBJECT: Consideration of an Ordinance Adopting and Levying a Municipal Cannabis Retailers' Occupation Tax

SUMMARY AND BACKGROUND OF SUBJECT MATTER:

The Cannabis Regulation and Tax Act allows municipal government the power to impose a sales tax of up to 3% on the sale of cannabis and cannabis-infused products. The Act also provides that if an ordinance imposing the tax is filed with the Illinois Department of Revenue on or before the first day of June, the tax may be collected in September. The proposed ordinance requires the Village Clerk to file a copy with the Illinois Department of Revenue before the end of this calendar year.

DOCUMENTS ATTACHED:

- 1) Ordinance

RECOMMENDED MOTION:

Move to approve an Ordinance Adopting and Levying a Municipal Cannabis Retailers' Occupation Tax, waiving the second reading.

VILLAGE OF ANTIOCH

19-11-xx

*AN ORDINANCE ADOPTING AND LEVYING A MUNICIPAL CANNABIS
RETAILERS' OCCUPATION TAX*

ADOPTED BY THE PRESIDENT AND BOARD OF TRUSTEES

OF THE

VILLAGE OF ANTIOCH, ILLINOIS

ON

November 18, 2019

Published in pamphlet form by authority of the Village Board
of the Village of Antioch, Lake County, Illinois,
this -- day of November, 2019.

LAWRENCE M. HANSON	President	MARY C. DOMINIAK	Trustee
		JERRY T. JOHNSON	Trustee
LORI K. ROMINE	Clerk	ED MACEK	Trustee
		SCOTT A. PIERCE	Trustee
ROBERT J. LONG	Attorney	TED P. POULOS	Trustee
		DANIEL YOST	Trustee

ORDINANCE 2019-11-xx

**AN ORDINANCE ADOPTING AND LEVYING A MUNICIPAL CANNABIS
RETAILERS' OCCUPATION TAX**

WHEREAS, the Village of Antioch (“*Village*”) is a non-home rule municipality located in Lake County, Illinois; and

WHEREAS, the enactment of Public Act 101-0027 created the Cannabis Regulation and Tax Act (the “*Act*”), regulating the cultivation, sale, possession, and consumption of cannabis in Illinois; and

WHEREAS, the Act authorizes the Village to impose a tax upon all persons engaged in the business of selling cannabis (other than cannabis purchased under the Compassionate Use of Medical Cannabis Program Act) at retail in the Village on the gross receipts from these sales made in the course of that business; and

WHEREAS, the Act authorizes the Village to impose this tax in an amount not to exceed 3% of the gross receipts from these sales and may only be imposed in .25% increments; and

WHEREAS, the Act currently provides that if an ordinance imposing such a tax is filed with the Illinois Department of Revenue on or before the first day in June, the Department will proceed to administer and enforce the tax as of the first day of September next following the adoption and filing, however as of the date of adoption of this Ordinance, it appears possible that the Act may be modified to allow an earlier collection of such a tax; and

WHEREAS, based on the recently adopted Act, the Corporate Authorities of the Village have determined that it is in the best interest of the health, safety, and welfare of the Village and its residents to impose a 3% tax on the gross receipts from taxable sales of cannabis under the Law;

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND VILLAGE BOARD OF THE VILLAGE OF ANTIOCH, LAKE COUNTY, ILLINOIS, as follows:

SECTION 1. **RECITALS.** The recitals listed above are incorporated into this Ordinance as if fully set forth in this Section 1.

SECTION 2. **ADOPTION OF TITLE 3, CHAPTER 5.** Title 3 of the Antioch Municipal Code, entitled “Municipal Taxes and Revenues,” is hereby amended to add the following new Chapter 5 imposing a cannabis retailers’ occupation tax consistent with PA 101-0027, which shall hereafter read as follows:

Chapter 5: CANNABIS RETAILERS’ OCCUPATION TAX

3-5-1: *Tax Imposed.* A tax is hereby imposed upon all persons engaged in the business of selling cannabis at retail at the rate of 3% of the gross receipts from such sales made in the course of such business while this Ordinance is in effect. This Municipal Cannabis Retailers' Occupation Tax shall not be applicable to the

sales of cannabis purchased under the Compassionate Use of Medical Cannabis Program Act. The imposition of this tax is in accordance with and subject to the provisions of Section 8-11-22 of the Illinois Municipal Code (65 ILCS 5/8-11-22). Persons subject to any tax imposed under this Ordinance may reimburse themselves for their tax liability hereunder by separately stating this tax as an additional charge, which charge may be stated in combination, in a single amount, with any State tax that such sellers are required to collect.

3-5-2 Collection Of Tax. The tax hereby imposed, and all civil penalties that may be assessed as an incident thereto, shall be collected and enforced by the Department of Revenue of the State of Illinois. The Department of Revenue shall have full power to administer and enforce this Ordinance; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner provided by law; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty under this Ordinance.

SECTION 3. **FILING.** The Village Clerk is hereby directed to file a certified copy of this Ordinance with the Illinois Department of Revenue on or before December 31, 2019.

SECTION 4. **SEVERABILITY.** If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions hereof.

SECTION 5. **EFFECTIVE DATE.** This Ordinance shall be in full force and effect from and after its passage, approval, and publication in pamphlet form in the manner provided by law; provided, however, that the tax provided for herein shall take effect for all sales on and after June 1, 2020, or sooner than that if provided for by amendatory act or other law.

PASSED and APPROVED this ____ day of _____, 2019.

LAWRENCE M. HANSON, Mayor

ATTEST:

LORI K. ROMINE, Village Clerk

