Summary of the September 23, 2019 Public Meeting
Frank Campbell Center, River West
6:00 p.m. to 8:00 p.m.

1. Attendance: 34
   a. 16 individuals made public comments:
       13 in favor
       2 opposed
       1 neutral

2. General Comments:
   a. In favor. Make taxes as low as possible. Illegal sales in Portland disappeared when they legalized.
   b. Look at what happened with the Riverboat. Trinity has been a good neighbor. Put on-site consumption on the back burner. Repeal the local ordinance for possession.
   c. Would be a mistake to lose to East Peoria.
   d. Trinity patient and employee. In favor of sales taxes for schools.
   e. M.S. patient who eliminated 23 medications with cannabis. East Peoria and Canton are allowing recreational cannabis to be sold.
   f. Look at location so people will not drive to East Peoria. Allow places for consumption so people don’t use a legal product illegally.
   g. The City needs the revenue. District 150 needs the money too.
   h. Need to enable residents to build wealth in marginalized neighborhoods.
   i. Concerns about how zoning and banking will work.
   j. Opposed. From Morton, IL.
   k. Peoria residents should get a 10% discount. Right pricing and taxes will put the black market out of business.
   l. Support the good feeling it gives users.
   m. Trinity employee who sees medical benefits.
   n. Small business owners want opportunity to create a new market here.
   o. Opposed and praying for the City.
   p. Focus on the science. Use Trinity for background. Keep an eye on what other communities are doing.

3. Questions posed by the audience.
   a. How can the City prevent landlords or public housing from prohibiting the use of cannabis?
      i. The Act allows business owners (landlord) the ability to prohibit cannabis use on their properties.
ii. On December 29, 2014, HUD issued a memo “use of Marijuana in Multifamily Properties” that expounds on the use of medical marijuana in HUD subsidized properties. The purpose of the memo was to confirm to PHAs, owners and operators that even if states had decriminalized marijuana or permitted the use of medical marijuana, under federal law it is still illegal. In HUD’s opinion, federal law is still controlling.

iii. Any discussion of marijuana in subsidized housing must therefore look at federal marijuana laws. While there are many federal laws that attempt to regulate the use of marijuana, there are two significant laws applicable to federally subsidized housing unit:

1. **The Controlled Substances Act (CSA)**, 21 U.S.C. Section 801 et. seq; The CSA, signed into law by Richard Nixon, is the federal drug policy under which the manufacture, importation, possession, use and distribution of certain substances is regulated. Pursuant to the CSA, marijuana is an illegal controlled substance.

2. **The Quality Housing and Work Responsibility Act of 1998 (QHWRA)**, 42 U.S.C. Section 13662. Among other things, the QHWRA removed disincentives for residents to work and become self-sufficient and provided rental protection for low-income residents. Section 577 of QHWRA also extended standards on denying admission and terminating tenancies for illegal drug use from PHAs to all owners and operators of other federally subsidized projects.

iv. As it pertains to prospective tenants the federal law is relatively clear: Current marijuana users cannot be admitted to federally assisted housing pursuant to Section 577 of the QHWRA. As stated in the HUD’s December 29, 2014 memo, “owners of federally assisted housing are required by QHWRA to deny admission to any household with a member who the owner determines is, at the time of application for admission, illegally using a controlled substance as that term is defined in the CSA.” Marijuana is a controlled substance under the CSA and therefore owners and operators of federally assisted projects must deny admission at the time of application to any household with a member who the owner determines is using marijuana.

v. The federal law, however, is not so clear when it comes to existing tenants. Under the QHWRA, owners must develop policies which “allow the termination of tenancy” for any household with a member:
1. who is illegally using a controlled substance, or

2. whose illegal use (or pattern of illegal use) of a controlled substance interferes with the health, safety or right to peaceful enjoyment of the premises by other residents.

vi. I have reached out to legal counsel for the Peoria Housing Authority to determine what actions, if any, PHA will be taking in regards to the new law.

vii. Notably, Rep. Eleanor Holmes Norton introduced HR 2338 into Congress in April of 2019. The bill, entitled “Marijuana in Federally Assisted Housing Parity Act” specifies that (1) an individual may not be denied occupancy of federally assisted housing on the basis of using marijuana in compliance with state law, and (2) the Department of Housing and Urban Development may not prohibit or discourage the use of marijuana in federally assisted housing if such use is in compliance with state law. The only two co-sponsors of the bill (Rep. Jan Schakowsky and Rep. Bobby Bush, are both from Illinois). The bill was referred to the House Committee on Financial Services on 4/18/19 and no further action has been reported since.

b. How will the zoning work and what are the setbacks?

i. Generally, zoning will be governed by the land use rules established by the municipality. The City must create reasonable time, place and manner restrictions.

1. Section 55-25 states that a unit of local may enact ordinances or rules not in conflict with this Act or with rules adopted pursuant to this Act governing the time, place, manner, and number of cannabis business establishment operations, including minimum distance limitations between cannabis business establishments and locations it deems sensitive, including colleges and universities, through the use of conditional use permits. A unit of local government, including a home rule unit, may establish civil penalties for violation of an ordinance or rules governing the time, place, and manner of operation of a cannabis business establishment or a conditional use permit in the jurisdiction of the unit of local government. No unit of local government, including a home rule unit or non-home rule county within an unincorporated territory of the county, may unreasonably restrict the time, place, manner, and number of cannabis businesses.
ii. The Act establishes minimum distance requirements:

1. Dispensaries cannot be within 1,500 ft of another dispensary.

2. A craft grower cannot be within 1,500 ft of another craft grower or cultivation center.

3. No cannabis business can be within 1,000 ft of the perimeter of school grounds, a playground, a recreation center or facility, a child care center, a public park or public library or a game arcade to which admission is not restricted to persons 21 years of age or older.

c. Can local cannabis businesses use banks since it is an all-cash business?

i. Rep. Jehan Gordon-Booth commented that cannabis businesses can bank with financial institutions that have an in-state charter.

ii. HB2980 was introduced into the Illinois House on 3/29/19. It would amend the Illinois Banking Act and the Illinois Credit Union Act. The bill provides that the Secretary of Financial and Professional Regulation shall not: issue an order against a financial institution for unsafe or unsound banking practices solely because the entity provides financial services to a cannabis-related legitimate business; prohibit, penalize, or otherwise discourage a financial institution from providing financial services to a cannabis-related legitimate business solely because the entity provides financial services to a cannabis-related legitimate business; recommend, incentivize, or encourage a financial institution not to offer financial services to an account holder or to downgrade or cancel the financial services offered to an account holder solely because the account holder is a manufacturer or producer or is the owner, operator, or employee of a cannabis-related legitimate business, the account holder later becomes an owner or operator of a cannabis-related legitimate business, or the financial institution was not aware that the account holder is the owner or operator of a cannabis-related legitimate business; and take any adverse or corrective supervisory action on a loan made to an owner or operator of a cannabis-related legitimate business solely because the owner or operator owns or operates a cannabis-related legitimate business or an owner or operator of real estate or equipment that is leased to a cannabis-related legitimate business solely because the owner or operator of the real estate or equipment leased the equipment or real estate to a cannabis-related legitimate business. It also authorizes the Secretary to furnish confidential
supervisory information relating to a financial institution providing financial services to cannabis-related businesses, limited to the name, contact information, and such other information as the Secretary determines is prudent, to the Illinois State Treasurer.

iii. On a federal level, the SAFE Banking Act of 2019 (HR 1595) generally prohibits a federal banking regulator from penalizing a depository institution for providing banking services to a legitimate marijuana-related business. Specifically, the bill prohibits a federal banking regulator from (1) terminating or limiting the deposit insurance or share insurance of a depository institution solely because the institution provides financial services to a legitimate marijuana-related business; (2) prohibiting or otherwise discouraging a depository institution from offering financial services to such a business; (3) recommending, incentivizing, or encouraging a depository institution not to offer financial services to an account holder solely because the account holder is affiliated with such a business; (4) taking any adverse or corrective supervisory action on a loan made to a person solely because the person either owns such a business or owns real estate or equipment leased or sold to such a business; or (5) penalizing a depository institution for processing or collecting payments for such a business. The bill is scheduled for a vote in the house on 9/25/19.