





# Memorandum

TO: Kevin J. Jackson, Village Manager   
FROM: Greg Olsen, Public Health Director   
FOR: Village President and Board of Trustees  
DATE: June 25, 2025  
SUBJECT: Intoxicating Hemp Update

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## Purpose

The purpose of this memo is to provide an update on Village regulation of intoxicating hemp, both with respect to enforcement efforts for recently adopted requirements along with an update on staff progress based on additional direction from the Village Board.

## Background

On March 18, 2025, the Village Board adopted an ordinance amending Chapter 8 ("Business Licensing") of the Oak Park Village Code adding the following regulations related to intoxicating hemp:

- Prohibits the sale of intoxicating hemp and kratom products to persons under the age of 21 years old;
- Such products must be displayed within the establishment from behind a sales or service counter so the customer cannot access it without assistance from an employee;
- Such products cannot be packaged or labeled with images designed or likely to appeal to children;
- Such products cannot be packaged or labeled in a way that imitates a commercially available candy or snack food; and,
- Establishments selling intoxicating hemp must post the following sign:
  - THE SALE OF INTOXICATING HEMP TO PERSONS UNDER TWENTY-ONE YEARS OF AGE IS PROHIBITED BY LAW.

### **Outreach Overview**

Prior to approval of the ordinance on March 18, 2025, an educational document regarding the proposed regulations was sent to all business owners in the Village on March 4, 2025. The decision to send to all business owners rather than only the ones known to sell intoxicating hemp was made because there may be businesses that sell it which staff is not aware of and also to make them aware of the upcoming regulations if they were considering selling the products in the future.

In early February, Village staff met with Charles Wu, the Executive Director of the Illinois Hemp Business Association to discuss the topic of hemp-derived THC (intoxicating hemp). Discussion included how an ordinance could impact local hemp businesses along with the thoughts of the hemp businesses towards the sale of intoxicating hemp. Staff also attended the March 19th meeting of the Business Association Council to provide an overview of proposed regulations regarding intoxicating hemp.

### **Enforcement Overview**

Enforcement for the ordinance began June 1, 2025. The week before enforcement was set to begin, Health Department staff visited each business known to sell intoxicating hemp or kratom products to see how they were preparing for the start of enforcement. The only non-compliant issues observed were some businesses not displaying the proper signage. The first official enforcement inspection will be conducted within the month to ensure compliance with all regulations outlined in the ordinance.

Business License Officers will also make note of any ordinance violations during their annual inspections. If violations are observed, they will inform the business of the regulations and notify the Health Department for follow-up. Additional enforcement activity will be conducted if/when complaints are received from the public.

### **Additional Village Board Direction**

The Village Board also directed staff to research the following for possible future Board action:

- A business license fee to cover the cost of enforcement;
- A tax on the sale of intoxicating hemp products;
- Required signage explaining potential health effects;
- Educational campaign materials about intoxicating hemp;

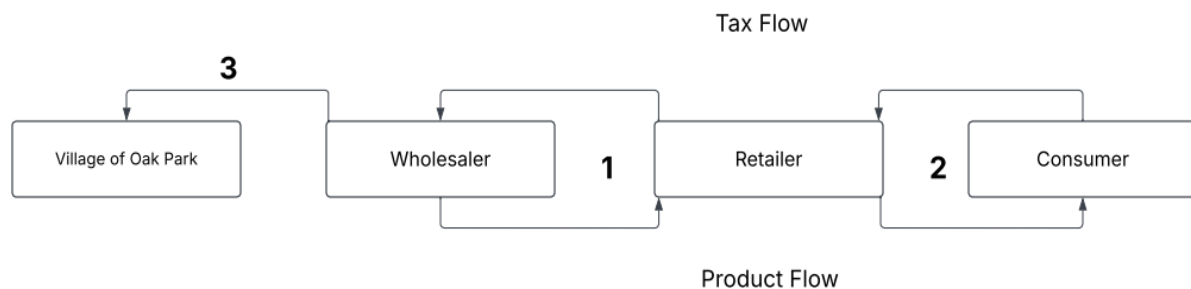
- Review of regulations for infused intoxicating hemp products, such as those sold in bakeries; and
- Tracking legislation to regulate intoxicating hemp.

License Fee: A license fee may be imposed on businesses which sell intoxicating hemp or kratom products. However, the amount of the fee must be within approximately ten times the Village's costs of administration and enforcement. For example, if the Village's per-license cost for administration and enforcement of the license (inspections, administrative work, etc.) amounted to \$300, the license fee cannot exceed \$3,000.

Tax: State law precludes the Village from imposing a targeted sales tax on intoxicating hemp. Staff have discussed options for a Village-imposed tax.

1. Per Unit. Products could be taxed on a per unit basis. Example: The Village collects \$0.25 for each package of intoxicating hemp sold at retail and,
2. Potency. Products could be taxed based on potency. Example: The Village collects \$0.25 for every 10 mg of intoxicating hemp or kratom in a package, per the amount indicated on the package label.

In addition to discussing the basis of the tax, Village staff discussed options for collections. The Village may impose a tax similar to the City of Chicago's approach with their water bottle tax. Referred as a wholesaler-collected tax paid by the consumer, the tax is imposed on the retail sale of bottled water, but the primary obligation to collect and remit the tax is placed on the wholesaler at the time of sale to the retailer. The retailer then collects this tax from the consumer who purchases the product at retail.



1) Retailer purchases the product from the wholesaler including the appropriate VOP tax

2) Retailer sells product to the consumer including the appropriate VOP tax in order to gain back the tax paid to the Wholesaler

3) The Village of Oak Park collects the tax from the Wholesaler on the goods the Retailer purchased

If the Village implements this arrangement for sales of intoxicating hemp products, the wholesaler would collect the tax from retailers and remit the tax to the Village based on the quantities purchased by the retailer. The retailer would then collect the tax from

consumers who purchase at retail.

Required Signage: Health impacts signage is subject to constitutional restraints. Court rulings require that when a government requires a business to display a sign, the contents of the sign may only include universally agreed upon facts which are non-controversial. Staff continues to review signage options. Potentially non-controversial statements to be included in the education sign may consist of the following:

- “These products have not been evaluated or approved by the FDA for safe use in any context.” – [Food & Drug Administration](#)

Educational Campaign: Staff have updated the Village website with a list of frequently asked questions. This list will be updated as we discover new areas of confusion surrounding intoxicating hemp and kratom products

Regulations for infused intoxicating hemp products, such as those sold in bakeries:

- State-regulated THC/CBD under the Cannabis Regulation and Tax Act
  - THC and/or CBD that is State-regulated have not been determined by the FDA as generally recognized as safe (GRAS)
  - Cannot be added to food for human consumption
  - *Note: The Cannabis Regulation and Tax Act allows facilities licensed by the Illinois Department of Agriculture to infuse cannabis into edible products that may be sold at dispensaries licensed by the IL Department of Financial and Professional Regulation. These are the only facilities allowed by State law to create/sell cannabis infused products. IDFPR licensed dispensaries are not permitted to produce any products on site whether infused with cannabis or not and IDOA cultivation centers, craft growers, and infusers are not permitted to sell products directly to the public.*
- NOT State-regulated THC/CBD i.e. intoxicating hemp products
  - These products are not regulated or approved by any State entity.
  - Regulation and enforcement for such products is decided at the local level

Legislative Tracking: Last year, the Village Board took a “wait and see” approach for several months to see if the Illinois General Assembly would pass legislation regulating intoxicating hemp. Though action was expected to be taken this past legislative session, including on two House Bills, HB4293 (Hemp Consumer Products Act) and HB0064 (Hemp Regulation Reform Act), the spring session of the Illinois General Assembly concluded with no action.

Staff has been proactively monitoring legislative discussions at the Federal Level. Relevant Federal legislation includes the 2018 Farm Bill, which has been extended through September 30, 2025. The Farm Bill is an omnibus law extending multiple years governing food and agricultural programming and policy. This is relevant because the 2018 Farm Bill created an exemption for hemp in a way allowing the current intoxicating hemp market to exist. The House Appropriations Committee voted on June 23, 2025 to approve an FY2026 appropriations bill which includes a provision that effectively prohibits the commercial production, sale, and distribution of certain hemp-derived cannabinoid products. Staff continues to follow developments on this bill and its implications for intoxicating hemp products.

### **Next Steps**

Staff will continue to research regulation and evaluate enforcement and taxation mechanisms around intoxicating hemp. To do this, staff will:

- Monitor any legislative progress at the State and Federal levels regarding intoxicating hemp;
- Identify a recommended method for implementing a tax on intoxicating hemp products, as well as the possibility of adding a license fee;
- Investigate the amount of potential revenue generated from implementing a tax on intoxicating hemp products; and
- Schedule a future study session that reflects the interests articulated by the Village Board once more work has been completed.

For questions, please contact Greg Olsen, Health Director, via email at [greg.olsen@oak-park.us](mailto:greg.olsen@oak-park.us) or by phone at 708-358-5482.

cc: Lisa Shelley, Deputy Village Manager  
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