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# Dope At The Door: The Legalization of Cannabis Delivery and Why Illinois Should Too

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# DOPE AT THE DOOR: THE LEGALIZATION OF CANNABIS DELIVERY AND WHY ILLINOIS SHOULD TOO

### Ian Lindsay

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## I. INTRODUCTION

In a world where it is possible to have mattresses<sup>1</sup>, cars<sup>2</sup>, and alcohol<sup>3</sup> delivered right to your home through the internet, it should not be surprising that several states, including California, Michigan, and Oregon have legalized at-home delivery of recreational cannabis.<sup>4</sup>

<sup>&</sup>lt;sup>1</sup> See, e.g., Free No-Contact Delivery, Casper, https://casper.com/homev1/?utm source=google&utm medium=ppc-b&utm cam-

paign=S\_US\_Brand\_Broad\_Core&utm\_content&utm\_term=lower&gclsrc=aw.ds& &ds\_user\_id=AMsySZYvRmoe2l\_ADI78rGyeZxQg&gclid=CjwKCAjwo8-

SBhAlEiwAopc9Wy36jR2t8FAcW6AufDgYP838tOwsklcBG-

GaansUUFgYoPpNN4NcmYxoCqSUQAvD\_BwE (last visited Apr. 15, 2022) ("We offer free, safe no-contact delivery and free returns with every order, no matter how big or small. Orders usually deliver within 3-11 business days with our carrier UPS. Shipping times may vary during the holiday season.").

<sup>&</sup>lt;sup>2</sup> See, e.g., *Delivery or Pick Up*, Carvana, https://www.carvana.com/ (last visited Apr. 15, 2022) ("Delivery or Pick Up: Delivery straight to your door or pick up at our state of the art Carvana Vending Machines.").

<sup>&</sup>lt;sup>3</sup> See, e.g., *How This Thing Actually Works*, Drizly, https://drizly.com/how-it-works (last visited Apr. 15, 2022) ("Said store(s) will deliver said drinks to you, and we'll let you know when your driver is on their way with the goods. Boom, drinks at your door in under 60 minutes.).

<sup>&</sup>lt;sup>4</sup> John Morgan, *Cannabis Delivery Service Compliance by State*, SIMPLIFYA NEWS (Oct. 22, 2021), https://www.simplifya.com/cannabis-delivery-service-compliance-

In the wake of legalized cannabis delivery, apps such as Eaze, PotBot, and Weedmaps, along with many others, have sprung up to take advantage of the new and growing market.<sup>5</sup> Since the COVID-19 pandemic began, legal cannabis delivery companies in other states have seen a dramatic uptick in business along with their counterparts in the online delivery marketplace, alcohol and food-delivery.<sup>6</sup> In June, 2019, Governor J.B. Pritzker signed the Cannabis Regulation and Tax Act ("CRTA"),<sup>7</sup> legalizing recreational cannabis for Illinois residents over the age of 21.<sup>8</sup> So, it is natural to wonder: Could Illinois be the next to legalize cannabis delivery?

Since its legalization in Illinois, cannabis has generated a tremendous amount of tax revenue for the state, "exceed[ing] liquor taxes be nearly \$100 million" in 2021.<sup>9</sup> That being said, it could make sense for Illinois to continue to capitalize on the industry and expand its cannabis market by legalizing delivery services. And, after the introduction of three bills into the Illinois General Assembly in early 2021, it is possible that "the Prairie State" could have legalized cannabis delivery in its future.<sup>10</sup>

First to be introduced was House Bill 193 ("H.B. 193"), an attempt to amend the CRTA by removing provisions that forbid cannabis

<sup>6</sup> Cameron Costa, *Uber and the Delivery War Could Be Headed to Cannabis Dispensaries*, CNBC (May, 10, 2021 10:00 AM), https://www.cnbc.com/2021/05/30/weedshare-uber-and-the-hazy-economics-of-

cannabis-delivery.html ("Throughout the pandemic, food orders boomed for Door-Dash, UberEats, and Grubhub. Sales on alcohol delivery app Drizly surged... California-based cannabis delivery app Eaze, which saw new customer sign ups increase by over 70%.")

<sup>7</sup> 410 ILCS 705/et seq.

<sup>8</sup> Illinois Marijuana Laws FINDLAW, (July 15, 2020), https://www.findlaw.com/state/illinois-law/illinois-marijuana-laws.html#:~:text=Il-linois%20Governor%20J.B.,1%2C%202020.

<sup>9</sup> Jelena Martinovic, *Illinois Benefits More From Cannabis Than Alcohol, Marijuana Tax Outpaces Liquor By Almost \$100M In 2021*, BENZINGA (Dec. 29, 2021, 10:24 AM), https://www.benzinga.com/markets/cannabis/21/12/24812930/illinois-bene-fits-more-from-cannabis-than-alcohol-marijuana-tax-outpaces-liquor-by-almost-100m-i.

<sup>10</sup> See H.B. 193, 102nd Gen. Assemb. (III. 2021); H.B. 312, 102nd Gen. Assemb. (III. 2021); S.B. 2404, 102nd Gen. Assemb. (III. 2021).

by-state/#:~:text=Illinois%3A%20No%20marijuana%20deliv-

ery%20is,is%20a%20misdemeanor%20in%20Kansas.

<sup>&</sup>lt;sup>5</sup> Neil Patel, *Top 20 Cannabis, Weed, Marijuana Online Delivery Apps in USA, UK, Australia*, MAKE AN APP LIKE (last visited Apr. 15, 2021) https://makeanapplike.com/top-cannabis-weed-marijuana-online-delivery-apps/ ("[T]he cannabis apps sector is now among the strongest industries in the United States, with a market value of over \$8 billion.").

delivery.<sup>11</sup> Shortly thereafter, House Bill 312 ("H.B. 312"), was introduced to add provisions to the statute that lay out a system for obtaining and regulating cannabis delivery licenses.<sup>12</sup> Finally, a bill has also been introduced into the Illinois Senate, Senate Bill 2404 ("S.B. 2404"), seeking to amend the Compassionate Use of Medical Cannabis Program Act and CRTA by adding provisions to legalize what it calls "nonstorefront delivery organizations."<sup>13</sup> Additionally, the bill details how nonstorefront delivery organizations will acquire licensing and what rules and regulations they will require.<sup>14</sup>

This article looks at the possible positive and negative effects of cannabis delivery to analyze whether such a shift in legislation would be beneficial to residents of Illinois. It will begin, in Part II, by noting the recent boom in alcohol delivery, another controlled substance with success in e-commerce. Next, it will take an in-depth look at the perceived pitfalls of delivery legalization, and what experts believe the reality of such changes to be. Part III will try to address how legalized cannabis delivery could affect Illinois. Part IV will take a more detailed look at the delivery legislation that has been proposed in Illinois. Finally, the article concludes with the likely economic benefits that come with legalization of cannabis delivery and how those will outweigh potential social harms, making it seem like a no-brainer for legislators. However, it is unknown exactly how soon citizens of Illinois can expect to have cannabis legally delivered to their homes.

## II. LESSONS FROM ALCOHOL AND CANNABIS DELIVERY IN OTHER STATES: THE FEARS AND THE REALITY

The trend toward legalizing cannabis delivery may not come as a shock to some people. Cannabis is not the first controlled substance to be available for at-home delivery; alcohol delivery is available in some form in all but seven states.<sup>15</sup> In fact, Drizly, an online alcohol

<sup>&</sup>lt;sup>11</sup> H.B. 193, 102nd Gen. Assemb. (Ill. 2021) (seeking to amend 410 ILCS 705/15-70, 705/15-85).

<sup>&</sup>lt;sup>12</sup> H.B. 312, 102nd Gen. Assemb. (Ill. 2021) (seeking to add 410 ILCS 705/Art. 43 (proposed Jan. 27, 2021)).

 <sup>&</sup>lt;sup>13</sup> S.B. 2404, 102nd Gen. Assemb. (III. 2021) (seeking to amend 410 ILCS 130/10, 410 ILCS 705/1-10, and add 410 ILCS 705/15-123 & 124 (proposed Feb. 26, 2021)).
 <sup>14</sup> Id.

<sup>&</sup>lt;sup>15</sup> From Prohibition to White Claw Delivery in Under 30 Minutes: A Brief Journey Through the History of Alcohol Delivery, ONFLEET (Oct. 28, 2021), https://onfleet.com/blog/the-history-of-alcohol-delivery/ ("12 states allow for delivery of all alcohol, and 31 allow for delivery of wine and beer, while only 7 prohibit it entirely.").

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marketplace, first reached Chicago, Illinois in 2014.<sup>16</sup> In 2022, not only is the alcohol delivery industry reaching most of the country, it is seeing significant economic returns.<sup>17</sup> Internet sales of alcohol grossed \$3 billion in 2019, and nearly doubled in 2020 when sales "approached \$5.6 billion" in the United States.<sup>18</sup> In 2021, the upward trend continued as the country saw total sales of approximately \$6.1 billion.<sup>19</sup> It is no surprise that this increase is directly correlated with the COVID-19 pandemic which pushed consumers to rely on e-commerce platforms.<sup>20</sup> Some experts believe that this e-commerce growth in alcohol sales will continue "even after the pandemic has subsided."<sup>21</sup>

Although recreational cannabis delivery has become legal in several states, it has yet to achieve the widespread availability of the alcohol-delivery market.<sup>22</sup> Even states that have legalized delivery of cannabis have done so modestly.<sup>23</sup> Colorado only allows recreational cannabis delivery in some cities, and Oregon allows cities to "opt-in" to legalization.<sup>24</sup> Nevada legalized recreational delivery "temporarily" to service customers during the pandemic.<sup>25</sup> Since legalization of recreational marijuana in the United States began with Colorado in 2012, a total of eighteen states, as well as Guam and Washington, D.C., now offer legal, recreational cannabis to their citizens.<sup>26</sup> However, many

<sup>17</sup> ONFLEET, *supra* note 15.

<sup>18</sup> Chris Furnari, Online Alcohol Sales Surge Amid Coronavirus Pandemic, FORBES (Dec. 1, 2020, 5:23 PM) https://www.forbes.com/sites/chrisfurnari/2020/12/01/online-alcohol-sales-surge-amid-coronavirus-pandemic/?sh=4a0a02b94f3a.

<sup>25</sup> Id.

<sup>&</sup>lt;sup>16</sup> Drizly Announces Expansion in Alcohol Delivery Area in Chicago, PR NEWSWIRE (May 20, 2015, 10:00 AM), https://www.prnewswire.com/news-releases/drizly-an-nounces-expansion-in-alcohol-delivery-area-in-chicago-

<sup>300085898.</sup>html#:~:text=Drizly%20originally%20launched%20in%20Chi-

cago,Park%20and%20Wrigleyville%20ever%20since.

<sup>&</sup>lt;sup>19</sup> Daniel Marsteller, Online Alcohol Sales Reach \$6.1 Billion In The U.S. In 2021, SHAKEN NEWS DAILY (Jan. 12, 2022), https://www.shankennewsdaily.com/in-dex.php/2022/01/12/30225/online-alcohol-sales-reach-6-1-billion-in-the-u-s-in-2021/#:~:text=The%20e%2Dcommerce%20market%20for,jump-

ing%20131%25%20compared%20with%202019.

<sup>&</sup>lt;sup>20</sup> See Furnari, supra note 18.

<sup>&</sup>lt;sup>21</sup> Id.

<sup>&</sup>lt;sup>22</sup> See Morgan, supra note 4; see also ONFLEET, supra note 15.

<sup>&</sup>lt;sup>23</sup> See Morgan, supra note 4.

<sup>&</sup>lt;sup>24</sup> Id.

<sup>&</sup>lt;sup>26</sup> Claire Hansen, et al., *Where is Marijuana Legal? A Guide to Marijuana Legalization* (Jan. 6, 2022), https://www.usnews.com/news/best-states/articles/where-is-marijuana-legal-a-guide-to-marijuana-legalization.

states that have legalized recreational cannabis have refrained from legalizing delivery.<sup>27</sup> For instance, Washington, a state that legalized recreational marijuana almost a decade ago, has not yet legalized its delivery.<sup>28</sup> This begs the question: why would a state legalize recreational cannabis but prohibit its delivery?

In a 2019 article, Spence Purnell of the Reason Foundation explained the major social concerns surrounding the legalization of marijuana delivery.<sup>29</sup> Some of the major concerns are that delivery will allow people under the legal age to have access to the substance, that it will lead to an increase in motor vehicle accidents, and that it will increase violent crime.<sup>30</sup> Mr. Purnell characterizes delivery as "simply an extension of a standard point-of-sale transaction," and ultimately concludes that legalization of delivery would not do much to "exacerbate[]" these social issues which already exist in society.<sup>31</sup>

In theory, underage persons could lie about their age and identity to be able to place online orders for cannabis and "bypass[] age verification requirements."<sup>32</sup> As Mr. Purnell points out, delivery laws could incorporate safeguards that are already in place at dispensaries by requiring identification.<sup>33</sup> Delivery of cannabis could, among other safety precautions, require a two-phase proof of identification: once when making the purchase and another when the product is delivered to the consumer.<sup>34</sup> This type of verification is similar to that used by alcohol delivery companies, which require proof of age upon delivery.<sup>35</sup> But, at the end of the day, the concern that delivery itself would

<sup>32</sup> *Id*.at 3.

<sup>34</sup> Id.

<sup>&</sup>lt;sup>27</sup> See Morgan, supra note 4.

<sup>&</sup>lt;sup>28</sup> Id.; City of Seattle, https://www.seattle.gov/marijuana#:~:text=In%20November%202012%2C%20Washing-

ton%20state,of%20small%20amounts%20of%20marijuana., (last visited Apr. 15, 2022).

<sup>&</sup>lt;sup>29</sup> Spence Purnell, *Marijuana Delivery: Addressing Concerns and Public Policy Issues*, Reason Found. (June 3, 2019), https://reason.org/wp-content/uploads/public-policy-cannabis-delivery-services.pdf.

 $<sup>^{30}</sup>$  Id. at 3–6.

<sup>&</sup>lt;sup>31</sup> Id. at 3, 8.

<sup>&</sup>lt;sup>33</sup> Id.

<sup>&</sup>lt;sup>35</sup> Drizly, *What Will I Need to Accept My Order*?, https://drizly.zendesk.com/hc/enus/articles/360006764832-What-will-I-need-to-accept-my-order- (last visited Apr. 15, 2022) ("Delivery personnel will ask for a valid 21+ ID and use proprietary Drizly technology on their smartphones to check the validity of a customer's form of identification by scanning the barcode on your license. This information is not stored. Failure to provide a valid 21+ ID could prevent your driver from completing your delivery.")

increase underage marijuana usage seems to be a non-issue because delivering the substance creates "no unique risk" for underage persons that is not already posed by recreational legalization and the existence of cannabis in society.<sup>36</sup>

Similarly, delivery of marijuana may not have an impact on how many people are driving on the roads under the influence of cannabis, causing accidents.<sup>37</sup> There is evidence to suggest that the liberalization of marijuana has led to more people driving on the road while high and, in turn, more accidents.<sup>38</sup> However, Mr. Purnell contends that it is not clear legalizing delivery, an "extension" of existing legal sales, would exacerbate that problem because "the current research... finds no increase in traffic accidents" in states that have legal cannabis delivery.<sup>39</sup> Mr. Purnell also notes that delivering directly to a consumer keeps the person from being in the car to and from purchasing the substance, potentially reducing the amount of intoxicated persons on the road.<sup>40</sup> At bottom, it seems unlikely that delivery would increase the number of car accidents and worsen the preexisting social issue.<sup>41</sup>

The last concern addressed by Mr. Purnell is whether legalizing cannabis delivery would have an effect on violent crime rates.<sup>42</sup> The major concern is that delivery drivers and vehicles would be the victims of robbery.<sup>43</sup> Although this is a "legitimate concern," there are precautions that are already implemented by delivery companies such as regulating the markings on vehicles and limiting the amount of product and cash carried by each driver.<sup>44</sup> Mr. Purnell acknowledges

<sup>44</sup> *Id.* at 4–5.

<sup>&</sup>lt;sup>36</sup> Purnell, *supra* note 29, at 3–4 ("[A] careful study concluded that legalization in states that allow delivery, such as Oregon, has not been associated with greater prevalence of teen use compared to the period preceding legalization, although teens who had already tried marijuana prior to legalization did increase usage slightly."). <sup>37</sup> *Id*, at 4.

<sup>&</sup>lt;sup>38</sup> See Eileen Falkenberg-Hull, *IIHS: Car Accident Rates Rise in States After Marijuana Sales Are Legalized*, NEWSWEEK (June 17, 2021, 12:01 AM), https://www.newsweek.com/iihs-car-accident-rates-rise-states-after-marijuana-

sales-are-legalized-1601285 ("[Insurance Institute for Highway Safety] found that the number of injury and fatal crashes in California, Colorado, Nevada, Oregon, and Washington rose considerably in the months following the relaxation of marijuana laws. In those states combined, there was a six-percent increase in injury crashes and a four-percent increase in fatal crash rates compared to other Western states where recreational marijuana use was illegal during the study period.").

<sup>&</sup>lt;sup>39</sup> Purnell, *supra* note 29, at 3–4.

<sup>&</sup>lt;sup>40</sup> *Id.* at 4.

<sup>&</sup>lt;sup>41</sup> Id.

 $<sup>^{42}</sup>$  *Id.* at 4–6.

 $<sup>^{43}</sup>$  *Id.* at 4.

that "research between delivery and crime is lacking."<sup>45</sup> However, "technically... illegal" delivery of cannabis has "existed widespread" in California since medical marijuana was legalized over twenty years ago.<sup>46</sup> Since that time, there has been "no empirical evidence that the presence of marijuana delivery leads to increased crime."<sup>47</sup>

Another concern regarding the legalization of cannabis in general, especially in Illinois, is that taxes on the product increase the price and push consumers to purchase cannabis on the black market.<sup>48</sup> Illinois has some of the steepest cannabis prices in the United States.<sup>49</sup> Even though it is predicted that legal cannabis sales will secure a majority of the market share over time, the black market will continue to "make up a billion-dollar underground market." <sup>50</sup> Shifting the primary means of purchasing cannabis to the legal dispensaries will depend on states decreasing the cost of cannabis and increasing its accessibility to consumers.<sup>51</sup> Ultimately, it seems that the major concerns with the delivery of cannabis stem from the existence of the legalized cannabis industry as a whole, and the addition of delivery to consumers would not "exacerbate" the problems that already exist in society.<sup>52</sup> In fact, it is possible that legalizing cannabis delivery could actually make cannabis more accessible and combat the black market.<sup>53</sup>

Whether or not legal cannabis is a good thing for society, one thing is certain: legal marijuana sales have hit an all-time high.<sup>54</sup> The pandemic is a major factor in that growth.<sup>55</sup> Quarantines and stay-at-

<sup>54</sup> Will Yakowicz, U.S. Cannabis Sales Hit Record \$17.5 Billion As Americans Consume More Marijuana Than Ever Before, FORBES (Mar. 3, 2021, 3:43 PM), https://www.forbes.com/sites/willyakowicz/2021/03/03/us-cannabis-sales-hit-record-175-billion-as-americans-consume-more-marijuana-than-ever-before/?sh=3af310282bcf.
 <sup>55</sup> Id

<sup>&</sup>lt;sup>45</sup> Id. at 5.

<sup>&</sup>lt;sup>46</sup> *Id.* at 6.

<sup>&</sup>lt;sup>47</sup> Id.

<sup>&</sup>lt;sup>48</sup> See Tom Schuba, Billions in Black-Market Weed Still Selling in Illinois 10 Months After Marijuana Legalized, CHI. SUN-TIMES (June 14, 2021, 7:49 PM), https://chicago.suntimes.com/cannabis/2021/6/14/22534079/illinois-dispensaries-illegal-legal-marijuana-cannabis-pot-bud-sale.

<sup>&</sup>lt;sup>49</sup> *Id.* ("Illinois' pre-tax flower prices — which typically run around \$60 an eighth — are 'higher than every other state right now,' according to Kelly Nielson, vice president of insights and analytics at BDSA," a "pot research firm based in Colorado.").

<sup>&</sup>lt;sup>50</sup> Id.

<sup>&</sup>lt;sup>51</sup> Id.

<sup>&</sup>lt;sup>52</sup> Purnell, *supra* note 29, at 8.

<sup>&</sup>lt;sup>53</sup> Id.

home orders have necessitated delivery, and in 2021 "60% of retail cannabis purchases were delivered."<sup>56</sup> As delivery sales increase along with the overall sales of cannabis, it can be deduced that delivery legalization has allowed for increased access to the cannabis market-place.<sup>57</sup> It is difficult to ascertain just how effective the legalization of cannabis delivery would be on a grander scale because most states with legal cannabis do not allow for delivery.<sup>58</sup> However, if more access is better than less, it can be argued that delivery to consumers is also beneficial in the fight against the black market.<sup>59</sup>

There are other potential benefits that come along with the legalization of cannabis delivery.<sup>60</sup> One of the most noticeable differences to business owners is that running a "delivery-only" business will not require entrepreneurs to rent or own brick-and-mortar locations.<sup>61</sup> Not having to operate a storefront will alleviate some of the strenuous regulations and costs of doing business that come with operating physical dispensaries.<sup>62</sup> In theory, reducing a business's overhead costs could reduce the cost of cannabis to consumers because, if it is cheaper to join the market, more cannabis companies can join, leading to more competitive pricing.<sup>63</sup> Overall, reducing the price will

<sup>58</sup> See Morgan, supra note 4.

<sup>61</sup> Mission Organic, *supra* note 60.

<sup>&</sup>lt;sup>56</sup> Susan Gunelius, *How Technology is Changing Cannabis Delivery*, CANNABIZ MEDIA (Dec. 17, 2021), https://www.cannabiz.media/blog/how-technology-is-changing-marijuana-delivery ("According to a report from Weedmaps, 60% of retail cannabis purchases were delivered in 2021 – up from 50% in 2020.").

<sup>&</sup>lt;sup>57</sup> See Yakowicz, supra note 54; see also Susan Gunelius, How Technology is Changing Cannabis Delivery, CANNABIZ MEDIA (Dec. 17, 2021), https://www.cannabiz.media/blog/how-technology-is-changing-marijuana-delivery ("According to a report from Weedmaps, 60% of retail cannabis purchases were delivered in 2021 – up from 50% in 2020.").

<sup>&</sup>lt;sup>59</sup> See Purnell, *supra* note 29, at 8 ("Overall, delivery will increase access for both medical and recreational patients, and help to eliminate the black market without dragging along the falsely associated social costs.")

<sup>&</sup>lt;sup>60</sup> See 8 Reasons Why Cannabis Delivery Services Benefit the Community, Mission Organic (Mar. 1, 2020), https://missionorganiccenter.com/8-reasons-why-cannabis-delivery-services-benefit-the-community/; see also 5 Benefits of Cannabis Delivery Services, Sonoma Patient Group (Mar. 25, 2020), https://www.sonomapatient-group.com/uncategorized/5-benefits-of-cannabis-delivery-services/.

 $<sup>^{62}</sup>$  *Id.* ("Many cannabis storefronts never make it past the permitting process because they may be too close to a school or are too expensive to operate. ... In this case, cannabis delivery services do not require the monumental regulations that cannabis storefronts are governed by. Instead, cannabis delivery services can operate legally as long as they register an office that is not open to the public.")

<sup>&</sup>lt;sup>63</sup> See Heather Boushey & Helen Knudsen, The Importance of Competition for the American Economy, The White House (July 9, 2021),

give more people access to legal cannabis and turn them away from the black market.<sup>64</sup>

Another major benefit of cannabis delivery is that the increase in sales generates more tax revenue that can be reinvested in the community.<sup>65</sup> Many states allocate tax dollars from recreational marijuana sales to designated public programs.<sup>66</sup> Some spend money on drug education and treatment and others dedicate dollars to healthcare and education.<sup>67</sup> If cannabis delivery increases tax revenue and generates more revenue for these social programs, cannabis delivery presents a theoretical benefit to society.

Additionally, with the growth of the delivery market comes the creation of jobs.<sup>68</sup> In addition to having to hire delivery drivers, entering an e-commerce platform requires the employment of many "ancillary" employees such as software engineers, lawyers, security personnel, and human resources.<sup>69</sup> Not mention, if there is more cannabis sold, more cannabis needs to be cultivated and "more conventional cannabis verticals" such as production and logistics would likely see job creation as well.<sup>70</sup> Ultimately, legalization of cannabis delivery has the potential to lead job creation, which is a benefit for any economy.<sup>71</sup>

<sup>64</sup> Purnell, *supra* note 29, at 8.

<sup>70</sup> See Aiello, supra note 68.

https://www.whitehouse.gov/cea/written-materials/2021/07/09/the-importance-ofcompetition-for-the-american-economy/#:~:text=Healthy%20market%20competition%20is%20fundamental,greater%20variety%2C%20and%20more%20innovation. ("Basic economic theory demonstrates that when firms have to compete for customers, it leads to lower prices, higher quality goods and services, greater variety, and more innovation.").

<sup>&</sup>lt;sup>65</sup> See Marijuana Taxes, Urban Inst., https://www.urban.org/policy-centers/cross-center-initiatives/state-and-local-finance-initiative/state-and-local-background-ers/marijuana-taxes (last visited Apr. 15, 2021).

<sup>&</sup>lt;sup>66</sup> *Id.* ("So far, every state that taxes marijuana for recreational use has dedicated at least a portion of the resulting revenue to specific programs...")

<sup>&</sup>lt;sup>67</sup> See Urban Inst., *supra* note 65 (*e.g.*, "Colorado's revenue is dedicated to education programs..."; "Michigan's revenue is divided among education, transportation, and transfers to local governments..."; "Washington dedicates its revenues to health care programs.").

<sup>&</sup>lt;sup>68</sup> See Chloe Aiello, Cannabis Industry Poised for Major Job Growth in 2021 Vangst CEO Says, CHEDDAR NEWS (Mar. 5, 2021, 9:32 AM), https://cheddar.com/media/cannabis-industry-poised-for-major-job-growth-in-2021-vangst-ceo-says.

<sup>&</sup>lt;sup>69</sup> Aiello, *supra* note 68; Bruce Barcott & Beau Whitney, *The US Cannabis Industry Now Supports* 428,059 *Jobs*, Leafly (Feb. 23, 2022), https://www.leafly.com/news/industry/cannabis-jobs-report.

<sup>&</sup>lt;sup>71</sup> Nicolas A. Pologeorgis, *Employability, the Labor Force, and the Economy*, Investopedia (Apr. 4, 2022), https://www.investopedia.com/articles/economics/12/employability-labor-force-

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Because delivery of cannabis is not likely to worsen any of the social ills that already plague society, and it is likely to help to stimulate an economy by producing taxable revenue and creating jobs, legalizing cannabis delivery does not seem to be such a bad thing. Perhaps, it could even be beneficial. However, legalized cannabis delivery is still a relatively new industry.<sup>72</sup> Potentially, over time, the question of how beneficial or detrimental cannabis delivery is will be answered. This could be an especially important question for states like Illinois that have legalized cannabis but not cannabis delivery.<sup>73</sup>

## III. HOW COULD LEGALIZED DELIVERY AFFECT ILLINOIS?

Would legal delivery of cannabis be beneficial or determinantal to Illinois? As Mr. Purnell suggests, there is a fear that an increase in the availability of marijuana will increase social ills such as crime.<sup>74</sup> However, evidence suggests that the legalization of medical and recreational cannabis does not have much of an impact on crime one way or another.<sup>75</sup> So, as Mr. Purnell theorizes, because delivery is really just an "extension" of legalization, it is likely that legalized delivery will not contribute to crime in Illinois.<sup>76</sup> Furthermore, according to Mr. Purnell, other social ills such as underage consumption of cannabis, intoxicated driving, and automobile accidents are unlikely to be

economy.asp#:~:text=Creating%20jobs%20helps%20the%20econ-

omy,the%20more%20that%20demand%20increases ("Creating jobs helps the economy by GDP. When an individual is employed, they are paid by their employer. This results in them having money to spend on food, clothing, entertainment, and in a variety of other areas. The more an individual spends, the more that demand increases.").

<sup>&</sup>lt;sup>72</sup> See John Daleo, Delivery Sweetening the Pot for Recreational Cannabis Businesses, ModernShipper (July, 19, 2021), https://www.freightwaves.com/news/delivery-sweetening-the-pot-for-recreational-cannabis-businesses.

<sup>&</sup>lt;sup>73</sup> Morgan, supra note 4.

<sup>&</sup>lt;sup>74</sup> Purnell, *supra* note 29, at 4–6.

<sup>&</sup>lt;sup>75</sup> See Purnell, supra note 29, at 4–6; see also Yu-Wei Luke Chu & Wilbur Townsend, Joint Culpability: The Effects of Medical Marijuana Laws on Crime, 159 J. ECON. BEHAV. AND ORG. 502, 517 (2019) ("Our results suggest that liberalization of marijuana laws is unlikely to result in the substantial social cost from a surge in crime that some politicians clearly fear."); see also Marijuana Legalization Is Not Linked With Increased Crime Rates, Marijuana Policy Project, https://www.mpp.org/issues/legalization/marijuana-legalization-is-not-linked-with-increased-crime-rates/ (last visited Apr. 15, 2022) ("Government-published data, academic research, and the experiences of many law enforcement officials indicate that marijuana policy reform does not increase crime rates.").

<sup>&</sup>lt;sup>76</sup> Purnell, *supra* note 29, at 3, 8.

affected by legal cannabis delivery.<sup>77</sup> So, if the people of Illinois do not have to worry about recreational cannabis delivery worsening the status quo, it would seem that any benefits of delivery legalization would make such legislation worthwhile.<sup>78</sup>

Since the legalization of recreational cannabis in Illinois, a tremendous amount of revenue has been generated in the state.<sup>79</sup> In 2021, Illinois generated over \$1 billion in recreational marijuana sales, surpassing its 2020 sales of \$670 million.<sup>80</sup> This revenue produced over \$387 million in tax dollars for the state.<sup>81</sup> What's more, Illinois specifically allocates some of those marijuana tax dollars to grants and "programs created to reinvest in communities most harmed by the drug war."<sup>82</sup> If Illinois were to see the same "spike in business" from legalizing cannabis delivery that states like California have seen, it would most likely see some quantum of increased tax revenue reinvested back in to the people of Illinois.<sup>83</sup>

Additionally, it is likely that legalizing delivery businesses and the resulting uptick in sales would lead to more jobs in Illinois.<sup>84</sup> This is something Illinois and its cannabis industry could benefit from because, despite cannabis being a billion-dollar industry, "the state

- <sup>79</sup> Martinovic, *supra* note 9.
- <sup>80</sup> Id.
- <sup>81</sup> Id.

<sup>82</sup> Martinovic, *supra* note 9; *see How Will Illinois Spend Cannabis Revenues?*, The Institute for Illinois' Fiscal Sustainability at the Civic Federation (Feb. 13, 2020), https://www.civicfed.org/civic-federation/blog/how-will-illinois-spend-cannabis-

revenues ("After the above allocations are made, any remaining funds will be distributed as follows: 2% to the Drug Treatment Fund for the Department of Human Services to develop a drug, tobacco and alcohol public education campaign and analyze the public health impacts of legalizing the recreational use of cannabis; 8% to the Local Government Distributive Fund to fund crime prevention programs, training, and enforcement and prevention efforts related to the illegal cannabis market and driving under the influence of cannabis; 25% to the Criminal Justice Information Projects Fund for the Restore, Reinvest, and Renew Program to provide grants and assistance to communities harmed by discriminatory drug laws; 20% to the Department of Human Services Community Services Fund to address substance abuse and prevention and mental health concerns; 10% to the Budget Stabilization Fund; and 35%, or any remaining balance, to the General Revenue Fund.").

<sup>83</sup> Cannabis Delivery Services Are Becoming One of the Hottest Revenue Streams in Cannabis Market, PR NEWSWIRE (Jan. 22, 2021), https://www.prnews-wire.com/news-releases/cannabis-delivery-services-are-becoming-one-of-the-hot-test-revenue-streams-in-cannabis-market-301212932.html).

<sup>&</sup>lt;sup>77</sup> Purnell, *supra* note 29, at 3–6, 8.

<sup>&</sup>lt;sup>78</sup> See Purnell, supra note 29, at 3–6, 8; see also Chu & Townsend, supra note 75; see also Marijuana Policy Project, supra note 75.

<sup>&</sup>lt;sup>84</sup> See Aiello, supra note 68; see also Barcott & Whitney, supra note 69.

continues to lag in... job-creation potential due to a dramatically constricted number of retail [cannabis] stores.<sup>385</sup> Not to mention, with nearly 300,000 people unemployed as of March, 2021, unemployment in Illinois is above the national average at 4.7%.<sup>86</sup> Any mechanism that would contribute to reducing unemployment would relieve strain on the economy, improving the state and the lives of people without work. <sup>87</sup>

Overall, if legalized delivery of cannabis would truly have limited effect on social ills in Illinois, any amount of revenue and jobs for the state is, theoretically, good for its people.<sup>88</sup> However, just because something would be beneficial in theory does not mean that legislators will enact it into law. With all the uncertainty that surrounds this relatively new industry, one thing is certain: the conversation about legalizing delivery has begun Springfield.<sup>89</sup>

## IV. DELIVERY LEGISLATION IN "THE PRAIRIE STATE"

Legislation to legalize cannabis delivery has been proposed in both the Illinois House of Representatives and the Illinois Senate.<sup>90</sup> In the House, H.B. 193 and H.B. 312 work together to amend the current statute that legalizes and regulates recreational cannabis in Illinois, the CRTA.<sup>91</sup> First, H.B. 193 would eliminate the provision of the CRTA that currently prohibits delivery of marijuana to "residences or other locations."<sup>92</sup> The bill also proposes to add language that sets forth the requirements for allowing existing dispensaries to deliver cannabis and "cannabis-infused products" directly to consumers.<sup>93</sup> All sales will have to be made directly from the dispensary to the consumer from its

<sup>&</sup>lt;sup>85</sup> Barcott & Whitney, *supra* note 69.

<sup>&</sup>lt;sup>86</sup> U.S. Bureau of Lab. Stat., https://data.bls.gov/timeseries/LASST1700000000003 (last visited Apr. 15, 2022) (preliminary figure).

<sup>&</sup>lt;sup>87</sup> Stephen D. Simpson, *The Cost of Unemployment to the Economy*, Investopedia (Apr. 14, 2022), https://www.investopedia.com/financial-edge/0811/the-cost-of-un-employment-to-the-economy.aspx#:~:text=Key%20Takeaways&text=Unemployed%20individuals%20not%20only%20lose,gross%20domestic%20prod-

uct%20(GDP).

<sup>&</sup>lt;sup>88</sup> See Purnell, supra note 29, at 3–6, 8.

<sup>&</sup>lt;sup>89</sup> See Daleo, supra note 72; see also Ill. Gen. Assemb., supra note 10.

<sup>&</sup>lt;sup>90</sup> Ill. Gen. Assemb., *supra* note 10.

<sup>&</sup>lt;sup>91</sup> See, 410 ILCS 705/1-1 et seq.; see also H.B. 193, 102nd Gen. Assemb. (Ill. 2021); see also H.B. 312, 102nd Gen. Assemb. (Ill. 2021).

<sup>&</sup>lt;sup>92</sup> 410 ILCS 705/15-70(p)(9).

<sup>&</sup>lt;sup>93</sup> H.B. 193, 102nd Gen. Assemb. (Ill. 2021) (410 ILCS 705/15-85(d) (proposed Jan. 19, 2021)).

brick and mortar location, "website, digital network, or software application service."<sup>94</sup> Most notably, the bill prohibits dispensaries from using third parties to handle the logistics and physical delivery of cannabis and related products.<sup>95</sup>

Also proposed in the Illinois House of Representatives, H.B. 312 proposes a new article of the CRTA that would provide licenses to create and regulate "cannabis delivery organizations."<sup>96</sup> The legislation does not define this term, but it seems to imply that these licenses would be for new organizations to operate delivery-focused businesses without having to open a physical dispensary.<sup>97</sup> The bill sets forth the application process for licensing, how licenses are issued, as well as "requirements" and "prohibitions" for each organization.<sup>98</sup> Notably, cannabis delivery organizations must be registered in a "data collection system" and subjected to "random inspections" by "the Department [of Financial and Professional Regulation], the Department of Public Health, and the Department of State Police."<sup>99</sup>

Finally, there is a bill in the Illinois Senate that proposes to license and regulate what it calls "nonstorefront delivery organizations."<sup>100</sup> Similarly, this term is not well defined by the statute, but one can infer that a "nonstorefront delivery organization" would be able to buy, sell, and deliver cannabis directly to consumers while keeping products in a separate, private facility.<sup>101</sup> Additionally, a nonstorefront delivery organization is prohibited from using "third party, intermediary business, broker, or any other business entity" to "sell or otherwise transfer cannabis or related products."<sup>102</sup> Ultimately, this legislation would accomplish the same objectives as H.B. 312 with some slight differences; the act would allow delivery-only businesses to be created and sell cannabis without having to have a brick-and-mortar location.<sup>103</sup>

The logical next question is: where are the bills in the process of becoming law? In Illinois, after being introduced by a legislator in

<sup>98</sup> Id.

<sup>&</sup>lt;sup>94</sup> Id.

<sup>&</sup>lt;sup>95</sup> Id.

<sup>&</sup>lt;sup>96</sup> H.B. 312, 102nd Gen. Assemb. (Ill. 2021) (410 ILCS 705/Art. 43 (proposed Jan. 29, 2021)).

<sup>&</sup>lt;sup>97</sup> Id.

<sup>&</sup>lt;sup>99</sup> Id. (410 ILCS 705/43-25(b), 43-25(c) (proposed Jan. 29, 2021)).

<sup>&</sup>lt;sup>100</sup> 410 ILCS 705/15-123, 705/15-124 (proposed Feb. 26, 2021).

<sup>&</sup>lt;sup>101</sup> S.B. 2404, 102nd Gen. Asemb. (Ill. 2021) (410 ILCS 705/15-123(a), 705/123(b)).
<sup>102</sup> S.B. 2404, 102nd Gen. Asemb. (Ill. 2021) (410 ILCS 705/15-123(k)(l)).

<sup>&</sup>lt;sup>103</sup> H.B. 312, 102nd Gen. Assemb. (Ill. 2021); see also S.B. 2404, 102nd Gen. Asemb. (Ill. 2021).

either the House or Senate, a bill is read to the respective legislative body; the first of three readings.<sup>104</sup> Next, a bill must be referred to a committee who, following public hearings, decides by vote whether to pass the bill along.<sup>105</sup> If the bill passes its committee, it is then read a second and third time before the body votes on it.<sup>106</sup> Between readings, bills are often referred back to its "standing committee for consideration" and amended.<sup>107</sup> After it has received three readings, it can be voted on by the body, requiring at least 30 votes in the Senate and 118 votes in the House to pass.<sup>108</sup> The bill must complete this same procedure and be passed by both legislative bodies.<sup>109</sup> Only then is a bill sent to the Governor who may sign and enact the bill into law, refer it back to the legislature, or veto it.<sup>110</sup> There are several methods of overriding vetoes that are available to the legislature, depending on the type of veto.<sup>111</sup>

When it comes to the cannabis delivery legislation, H.B. 193 has only received its "First Reading," and was re-referred to the House Rules Committee on March 27, 2021, after a stint in the Executive Committee.<sup>112</sup> Its companion, H.B. 312 was re-referred to the Rules Committee more recently, February 18 of this year, after receiving its initial reading and bouncing between the Rules and Executive Committee for almost a year.<sup>113</sup> The Senate bill also seems to have lost

<sup>109</sup> Ill. Senate Democrats, *supra* note 104.

<sup>&</sup>lt;sup>104</sup> *How A Bill Becomes Law*, Ill. Senate Democrats, https://www.illinoissenatedemocrats.com/resources/for-educators/15-information/34-how-a-bill-becomes-law (last visited Apr. 15, 2022).

<sup>&</sup>lt;sup>105</sup> *Id.* 

<sup>&</sup>lt;sup>106</sup> Id.

<sup>&</sup>lt;sup>107</sup> Id.

<sup>&</sup>lt;sup>108</sup> Jobi Cates, *How A Bill Becomes A Law in Illinois*, Restore Just. Ill., https://restorejusticeillinois.org/how-a-bill-becomes-a-law-in-illinois/ (last visited Apr. 15, 2022).

<sup>&</sup>lt;sup>110</sup> *Id.* (The Governor "may sign a bill into law or send it back to the legislature for changes. He also may veto or reduce an appropriation item, or he may veto the entire bill.").

<sup>&</sup>lt;sup>111</sup> See Matt Paprocki, *Illinois' Gubernatorial Veto Procedures*, Ill. Pol'y (Aug. 2, 2017), https://www.illinoispolicy.org/illinois-gubernatorial-veto-procedure/.

<sup>&</sup>lt;sup>112</sup> Bill Status of HB0193, Ill. Gen. Assemb., https://www.ilga.gov/legislation/Bill-Status.asp?Doc-

Num=193&GAID=16&DocTypeID=HB&SessionID=110&GA=102 (last visited Apr. 15, 2022).

<sup>&</sup>lt;sup>113</sup> Bill Status of HB0312, Ill. Gen. Assemb., https://www.ilga.gov/legislation/Bill-Status.asp?Doc-

Num=312&GAID=16&DocTypeID=HB&SessionID=110&GA=102 (last visited Apr. 15, 2022).

traction.<sup>114</sup> After being introduced in February of 2021, S.B. 2404 was read by the Senate and has since been referred to the Assignments Committee and the Executive Committee.<sup>115</sup> Most recently, it was re-referred to Assignments on April 16, 2021.<sup>116</sup>

Ultimately, the legalization of recreational cannabis being delivered directly to consumers is not likely to happen anytime soon. Time has run out on the 102nd General Assembly, which adjourned on April 8, 2022.<sup>117</sup> With the coming and going of this General Assembly, so die H.B. 193, H.B. 312, and S.B. 2404.<sup>118</sup> However, this may not spell the end of cannabis delivery legislation in Illinois. The bills "die" in name only and can be reintroduced to the 103rd General Assembly when they convene next year.<sup>119</sup> There is an election in November 2022, and it is possible the next assembly will be interested in picking up the baton and taking advantage of the potential economic benefits of the cannabis delivery market.<sup>120</sup>

### IV. CONCLUSION

In conclusion, it is likely that the perceived social ills of legalizing cannabis delivery are – just that – perceived.<sup>121</sup> Cannabis delivery is, simply put, a straightforward adaptation of the current cannabis legislation to fit the needs of consumers in a modern world.<sup>122</sup> If it is assumed that the legalization of cannabis is ultimately a good thing for Illinois, this relatively minor extension of its laws to reduce participation in the black market, create greater access to the marketplace, increase tax revenue, and create more jobs, should be a logical next step

<sup>118</sup> Cates, *supra* note 108.

<sup>&</sup>lt;sup>114</sup> See Bill Status of SB2404, Ill. Gen. Assemb., https://www.ilga.gov/legislation/BillStatus.asp?Doc-

Num=2404&GAID=16&DocTypeID=SB&SessionID=110&GA=102 (last visited Apr. 15, 2022).

<sup>&</sup>lt;sup>115</sup> Id.

<sup>&</sup>lt;sup>116</sup> Id.

<sup>&</sup>lt;sup>117</sup> 2022 Legislative Session, Ballotpedia, https://ballotpedia.org/2022\_Illinois\_legislative\_session (last visited Apr. 15, 2022).

<sup>&</sup>lt;sup>119</sup> Id. ("A bill that does not get through these 6 - 7 steps over the course of a session (from January through May each year) is considered "dead" for the year and will have to begin again. Once a bill has failed to get out of committee, it is "dead" for the year.")

<sup>&</sup>lt;sup>120</sup> Ballotpedia, *supra* note 117.

<sup>&</sup>lt;sup>121</sup> See Purnell, *supra* note 29, at 3–6, 8.

<sup>&</sup>lt;sup>122</sup> See id.; see also Ill. Gen. Assemb., supra note 10.

for Illinois lawmakers.<sup>123</sup> However, after introducing legislation to take this next step, the legislation died in both the Illinois Senate and House of Representatives after the General Assembly ended its 102nd session.<sup>124</sup> Any potential legislation now has to start from scratch in either house for there to be any prospect of legalized delivery in Illinois.<sup>125</sup> With a major general election coming up in November of 2022, including a federal midterm and gubernatorial election, the political landscape in Illinois could look very different come one year from now.<sup>126</sup> Onlookers will have to wait and see if Illinois ever decides to take advantage of this trending market.<sup>127</sup>

<sup>&</sup>lt;sup>123</sup> See Purnell, supra note 29, at 8; see also Martinovic, supra note 9; see also Aiello, supra note 68; see also Ill. Gen. Assemb., supra note 10.

 <sup>&</sup>lt;sup>124</sup> See Ill. Gen. Assemb., supra notes 112–14; see also Ballotpedia, supra note 117.
 <sup>125</sup> Cates, supra note 108.

<sup>&</sup>lt;sup>126</sup> *Illinois Elections, 2022*, Ballotpedia, https://ballotpedia.org/Illinois\_elections, 2022 (last visited Apr. 15, 2022).

<sup>&</sup>lt;sup>127</sup> See PR NEWSWIRE, supra note 83.