



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB1023

Introduced 1/9/2025, by Rep. John M. Cabello

SYNOPSIS AS INTRODUCED:

30 ILCS 105/6z-112

Amends the State Finance Act. Increases the percentage of moneys that are transferred from the Cannabis Regulation Fund to the Local Government Distributive Fund. Provides that moneys allocated to counties under those provisions shall be directed to a fund under the control of the Sheriff. Effective July 1, 2025.

LRB104 03174 HLH 13195 b

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The State Finance Act is amended by changing
5 Section 6z-112 as follows:

6 (30 ILCS 105/6z-112)

7 Sec. 6z-112. The Cannabis Regulation Fund.

8 (a) There is created the Cannabis Regulation Fund in the
9 State treasury, subject to appropriations unless otherwise
10 provided in this Section. All moneys collected under the
11 Cannabis Regulation and Tax Act shall be deposited into the
12 Cannabis Regulation Fund, consisting of taxes, license fees,
13 other fees, and any other amounts required to be deposited or
14 transferred into the Fund.

15 (b) Whenever the Department of Revenue determines that a
16 refund should be made under the Cannabis Regulation and Tax
17 Act to a claimant, the Department of Revenue shall submit a
18 voucher for payment to the State Comptroller, who shall cause
19 the order to be drawn for the amount specified and to the
20 person named in the notification from the Department of
21 Revenue. This subsection (b) shall constitute an irrevocable
22 and continuing appropriation of all amounts necessary for the
23 payment of refunds out of the Fund as authorized under this

1 subsection (b).

2 (c) On or before the 25th day of each calendar month, the
3 Department of Revenue shall prepare and certify to the State
4 Comptroller the transfer and allocations of stated sums of
5 money from the Cannabis Regulation Fund to other named funds
6 in the State treasury. The amount subject to transfer shall be
7 the amount of the taxes, license fees, other fees, and any
8 other amounts paid into the Fund during the second preceding
9 calendar month, minus the refunds made under subsection (b)
10 during the second preceding calendar month by the Department.
11 The transfers shall be certified as follows:

12 (1) The Department of Revenue shall first determine
13 the allocations which shall remain in the Cannabis
14 Regulation Fund, subject to appropriations, to pay for the
15 direct and indirect costs associated with the
16 implementation, administration, and enforcement of the
17 Cannabis Regulation and Tax Act by the Department of
18 Revenue, the Department of State Police, the Department of
19 Financial and Professional Regulation, the Department of
20 Agriculture, the Department of Public Health, the
21 Department of Commerce and Economic Opportunity, and the
22 Illinois Criminal Justice Information Authority.

23 (2) After the allocations have been made as provided
24 in paragraph (1) of this subsection (c), of the remainder
25 of the amount subject to transfer for the month as
26 determined in this subsection (c), the Department shall

1 certify the transfer into the Cannabis Expungement Fund
2 1/12 of the fiscal year amount appropriated from the
3 Cannabis Expungement Fund for payment of costs incurred by
4 State courts, the Attorney General, State's Attorneys,
5 civil legal aid, as defined by Section 15 of the Public
6 Interest Attorney Assistance Act, and the Department of
7 State Police to facilitate petitions for expungement of
8 Minor Cannabis Offenses pursuant to Public Act 101-27, as
9 adjusted by any supplemental appropriation, plus
10 cumulative deficiencies in such transfers for prior
11 months.

12 (3) After the allocations have been made as provided
13 in paragraphs (1) and (2) of this subsection (c), the
14 Department of Revenue shall certify to the State
15 Comptroller and the State Treasurer shall transfer the
16 amounts that the Department of Revenue determines shall be
17 transferred into the following named funds according to
18 the following:

19 (A) 2% shall be transferred to the Drug Treatment
20 Fund to be used by the Department of Human Services
21 for: (i) developing and administering a scientifically
22 and medically accurate public education campaign
23 educating youth and adults about the health and safety
24 risks of alcohol, tobacco, illegal drug use (including
25 prescription drugs), and cannabis, including use by
26 pregnant women; and (ii) data collection and analysis

1 of the public health impacts of legalizing the
2 recreational use of cannabis. Expenditures for these
3 purposes shall be subject to appropriations.

4 (B) 15% ~~8%~~ shall be transferred to the Local
5 Government Distributive Fund and allocated as provided
6 in Section 2 of the State Revenue Sharing Act. Moneys
7 allocated to a county under this subparagraph shall be
8 directed to a fund that is under the control of the
9 sheriff of that county. The moneys shall be used to
10 fund crime prevention programs, training, and
11 interdiction efforts, including detection,
12 enforcement, and prevention efforts, relating to the
13 illegal cannabis market and driving under the
14 influence of cannabis.

15 (C) 25% shall be transferred to the Criminal
16 Justice Information Projects Fund to be used for the
17 purposes of the Restore, Reinvest, and Renew Program
18 to address economic development, violence prevention
19 services, re-entry services, youth development, and
20 civil legal aid, as defined by Section 15 of the Public
21 Interest Attorney Assistance Act. The Restore,
22 Reinvest, and Renew Program shall address these issues
23 through targeted investments and intervention programs
24 and promotion of an employment infrastructure and
25 capacity building related to the social determinants
26 of health in impacted community areas. Expenditures

1 for these purposes shall be subject to appropriations.

2 (D) 20% shall be transferred to the Department of
3 Human Services Community Services Fund, to be used to
4 address substance abuse and prevention and mental
5 health concerns, including treatment, education, and
6 prevention to address the negative impacts of
7 substance abuse and mental health issues, including
8 concentrated poverty, violence, and the historical
9 overuse of criminal justice responses in certain
10 communities, on the individual, family, and community,
11 including federal, State, and local governments,
12 health care institutions and providers, and
13 correctional facilities. Expenditures for these
14 purposes shall be subject to appropriations.

15 (E) 10% shall be transferred to the Budget
16 Stabilization Fund.

17 (F) 28% ~~35%~~, or any remaining balance, shall be
18 transferred to the General Revenue Fund.

19 As soon as may be practical, but no later than 10 days
20 after receipt, by the State Comptroller of the transfer
21 certification provided for in this subsection (c) to be given
22 to the State Comptroller by the Department of Revenue, the
23 State Comptroller shall direct and the State Treasurer shall
24 transfer the respective amounts in accordance with the
25 directions contained in such certification.

26 (d) On July 1, 2019 the Department of Revenue shall

1 certify to the State Comptroller and the State Treasurer shall
2 transfer \$5,000,000 from the Compassionate Use of Medical
3 Cannabis Fund to the Cannabis Regulation Fund.

4 (e) Notwithstanding any other law to the contrary and
5 except as otherwise provided in this Section, this Fund is not
6 subject to sweeps, administrative charge-backs, or any other
7 fiscal or budgetary maneuver that would in any way transfer
8 any amounts from this Fund into any other fund of the State.

9 (f) The Cannabis Regulation Fund shall retain a balance of
10 \$1,000,000 for the purposes of administrative costs.

11 (g) In Fiscal Year 2024 the allocations in subsection (c)
12 of this Section shall be reviewed and adjusted if the General
13 Assembly finds there is a greater need for funding for a
14 specific purpose in the State as it relates to Public Act
15 101-27.

16 (Source: P.A. 101-27, eff. 6-25-19; 102-558, eff. 8-20-21.)

17 Section 99. Effective date. This Act takes effect July 1,
18 2025.