



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB4818

by Rep. Michael Crawford

#### SYNOPSIS AS INTRODUCED:

410 ILCS 705/1-5  
410 ILCS 705/1-10  
410 ILCS 705/40-50 new  
410 ILCS 705/40-55 new  
410 ILCS 705/40-60 new  
410 ILCS 705/40-65 new

Amends the Cannabis Regulation and Tax Act. Adds provisions authorizing the Department of Agriculture to issue a transfer site endorsement for licensed cannabis transporters with a social equity designation. Provides that the endorsement allows operation of secure transfer sites for short-term storage and logistical consolidation of cannabis or cannabis-infused products. Sets conditions for use, security requirements, insurance, and compliance standards. Requires coordination with local zoning authorities and rulemaking by the Department. Makes related changes to findings and definitions.

LRB104 18149 BDA 31588 b

1 AN ACT concerning health.

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

4 Section 5. The Cannabis Regulation and Tax Act is amended  
5 by changing Sections 1-5 and 1-10 and by adding Sections  
6 40-50, 40-55, 40-60, and 40-65 as follows:

7 (410 ILCS 705/1-5)

8 Sec. 1-5. Findings.

9 (a) In the interest of allowing law enforcement to focus  
10 on violent and property crimes, generating revenue for  
11 education, substance abuse prevention and treatment, freeing  
12 public resources to invest in communities and other public  
13 purposes, and individual freedom, the General Assembly finds  
14 and declares that the use of cannabis should be legal for  
15 persons 21 years of age or older and should be taxed in a  
16 manner similar to alcohol.

17 (b) In the interest of the health and public safety of the  
18 residents of Illinois, the General Assembly further finds and  
19 declares that cannabis should be regulated in a manner similar  
20 to alcohol so that:

21 (1) persons will have to show proof of age before  
22 purchasing cannabis;

23 (2) selling, distributing, or transferring cannabis to

1 minors and other persons under 21 years of age shall  
2 remain illegal;

3 (3) driving under the influence of cannabis, operating  
4 a watercraft under the influence of cannabis, and  
5 operating a snowmobile under the influence of cannabis  
6 shall remain illegal;

7 (4) legitimate, taxpaying business people, and not  
8 criminal actors, will conduct sales of cannabis;

9 (5) cannabis sold in this State will be tested,  
10 labeled, and subject to additional regulation to ensure  
11 that purchasers are informed and protected; and

12 (6) purchasers will be informed of any known health  
13 risks associated with the use of cannabis, as concluded by  
14 evidence-based, peer reviewed research.

15 (c) The General Assembly further finds and declares that  
16 it is necessary to ensure consistency and fairness in the  
17 application of this Act throughout the State and that,  
18 therefore, the matters addressed by this Act are, except as  
19 specified in this Act, matters of statewide concern.

20 (d) The General Assembly further finds and declares that  
21 this Act shall not diminish the State's duties and commitment  
22 to seriously ill patients registered under the Compassionate  
23 Use of Medical Cannabis Program Act, nor alter the protections  
24 granted to them.

25 (e) The General Assembly supports and encourages labor  
26 neutrality in the cannabis industry and further finds and

1 declares that employee workplace safety shall not be  
2 diminished and employer workplace policies shall be  
3 interpreted broadly to protect employee safety.

4 (f) It is the intent of the General Assembly to reduce  
5 transportation inefficiencies, enhance statewide  
6 participation by social equity cannabis transporters, improve  
7 public safety, and maintain the highest standards of  
8 regulatory compliance while promoting fair market access and  
9 reduced environmental impact.

10 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.)

11 (410 ILCS 705/1-10)

12 Sec. 1-10. Definitions. In this Act:

13 "Adult Use Cultivation Center License" means a license  
14 issued by the Department of Agriculture that permits a person  
15 to act as a cultivation center under this Act and any  
16 administrative rule made in furtherance of this Act.

17 "Adult Use Dispensing Organization License" means a  
18 license issued by the Department of Financial and Professional  
19 Regulation that permits a person to act as a dispensing  
20 organization under this Act and any administrative rule made  
21 in furtherance of this Act.

22 "Advertise" means to engage in promotional activities  
23 including, but not limited to: newspaper, radio, Internet and  
24 electronic media, and television advertising; the distribution  
25 of fliers and circulars; billboard advertising; and the

1 display of window and interior signs. "Advertise" does not  
2 mean exterior signage displaying only the name of the licensed  
3 cannabis business establishment.

4 "Application points" means the number of points a  
5 Dispensary Applicant receives on an application for a  
6 Conditional Adult Use Dispensing Organization License.

7 "BLS Region" means a region in Illinois used by the United  
8 States Bureau of Labor Statistics to gather and categorize  
9 certain employment and wage data. The 17 such regions in  
10 Illinois are: Bloomington, Cape Girardeau, Carbondale-Marion,  
11 Champaign-Urbana, Chicago-Naperville-Elgin, Danville,  
12 Davenport-Moline-Rock Island, Decatur, Kankakee, Peoria,  
13 Rockford, St. Louis, Springfield, Northwest Illinois  
14 nonmetropolitan area, West Central Illinois nonmetropolitan  
15 area, East Central Illinois nonmetropolitan area, and South  
16 Illinois nonmetropolitan area.

17 "By lot" means a randomized method of choosing between 2  
18 or more Eligible Tied Applicants or 2 or more Qualifying  
19 Applicants.

20 "Cannabis" means marijuana, hashish, and other substances  
21 that are identified as including any parts of the plant  
22 Cannabis sativa and including derivatives or subspecies, such  
23 as indica, of all strains of cannabis, whether growing or not;  
24 the seeds thereof, the resin extracted from any part of the  
25 plant; and any compound, manufacture, salt, derivative,  
26 mixture, or preparation of the plant, its seeds, or resin,

1 including tetrahydrocannabinol (THC) and all other naturally  
2 produced cannabinol derivatives, whether produced directly or  
3 indirectly by extraction; however, "cannabis" does not include  
4 the mature stalks of the plant, fiber produced from the  
5 stalks, oil or cake made from the seeds of the plant, any other  
6 compound, manufacture, salt, derivative, mixture, or  
7 preparation of the mature stalks (except the resin extracted  
8 from it), fiber, oil or cake, or the sterilized seed of the  
9 plant that is incapable of germination. "Cannabis" does not  
10 include industrial hemp as defined and authorized under the  
11 Industrial Hemp Act. "Cannabis" also means cannabis flower,  
12 concentrate, and cannabis-infused products.

13 "Cannabis business establishment" means a cultivation  
14 center, craft grower, processing organization, infuser  
15 organization, dispensing organization, or transporting  
16 organization.

17 "Cannabis concentrate" means a product derived from  
18 cannabis that is produced by extracting cannabinoids,  
19 including tetrahydrocannabinol (THC), from the plant through  
20 the use of propylene glycol, glycerin, butter, olive oil, or  
21 other typical cooking fats; water, ice, or dry ice; or butane,  
22 propane, CO<sub>2</sub>, ethanol, or isopropanol and with the intended  
23 use of smoking or making a cannabis-infused product. The use  
24 of any other solvent is expressly prohibited unless and until  
25 it is approved by the Department of Agriculture.

26 "Cannabis container" means a sealed or resealable,

1 traceable, container, or package used for the purpose of  
2 containment of cannabis or cannabis-infused product during  
3 transportation.

4 "Cannabis flower" means marijuana, hashish, and other  
5 substances that are identified as including any parts of the  
6 plant Cannabis sativa and including derivatives or subspecies,  
7 such as indica, of all strains of cannabis; including raw  
8 kief, leaves, and buds, but not resin that has been extracted  
9 from any part of such plant; nor any compound, manufacture,  
10 salt, derivative, mixture, or preparation of such plant, its  
11 seeds, or resin.

12 "Cannabis-infused product" means a beverage, food, oil,  
13 ointment, tincture, topical formulation, or another product  
14 containing cannabis or cannabis concentrate that is not  
15 intended to be smoked.

16 "Cannabis paraphernalia" means equipment, products, or  
17 materials intended to be used for planting, propagating,  
18 cultivating, growing, harvesting, manufacturing, producing,  
19 processing, preparing, testing, analyzing, packaging,  
20 repackaging, storing, containing, concealing, ingesting, or  
21 otherwise introducing cannabis into the human body.

22 "Cannabis plant monitoring system" or "plant monitoring  
23 system" means a system that includes, but is not limited to,  
24 testing and data collection established and maintained by the  
25 cultivation center, craft grower, or processing organization  
26 and that is available to the Department of Revenue, the

1 Department of Agriculture, the Department of Financial and  
2 Professional Regulation, and the Illinois State Police for the  
3 purposes of documenting each cannabis plant and monitoring  
4 plant development throughout the life cycle of a cannabis  
5 plant cultivated for the intended use by a customer from seed  
6 planting to final packaging.

7 "Cannabis testing facility" means an entity registered by  
8 the Department of Agriculture to test cannabis for potency and  
9 contaminants.

10 "Clone" means a plant section from a female cannabis plant  
11 not yet rootbound, growing in a water solution or other  
12 propagation matrix, that is capable of developing into a new  
13 plant.

14 "Community College Cannabis Vocational Training Pilot  
15 Program faculty participant" means a person who is 21 years of  
16 age or older, licensed by the Department of Agriculture, and  
17 is employed or contracted by an Illinois community college to  
18 provide student instruction using cannabis plants at an  
19 Illinois Community College.

20 "Community College Cannabis Vocational Training Pilot  
21 Program faculty participant Agent Identification Card" means a  
22 document issued by the Department of Agriculture that  
23 identifies a person as a Community College Cannabis Vocational  
24 Training Pilot Program faculty participant.

25 "Conditional Adult Use Dispensing Organization License"  
26 means a contingent license awarded to applicants for an Adult

1 Use Dispensing Organization License that reserves the right to  
2 an Adult Use Dispensing Organization License if the applicant  
3 meets certain conditions described in this Act, but does not  
4 entitle the recipient to begin purchasing or selling cannabis  
5 or cannabis-infused products.

6 "Conditional Adult Use Cultivation Center License" means a  
7 license awarded to top-scoring applicants for an Adult Use  
8 Cultivation Center License that reserves the right to an Adult  
9 Use Cultivation Center License if the applicant meets certain  
10 conditions as determined by the Department of Agriculture by  
11 rule, but does not entitle the recipient to begin growing,  
12 processing, or selling cannabis or cannabis-infused products.

13 "Craft grower" means a facility operated by an  
14 organization or business that is licensed by the Department of  
15 Agriculture to cultivate, dry, cure, and package cannabis and  
16 perform other necessary activities to make cannabis available  
17 for sale at a dispensing organization or use at a processing  
18 organization. A craft grower may contain up to 5,000 square  
19 feet of canopy space on its premises for plants in the  
20 flowering state. The Department of Agriculture may authorize  
21 an increase or decrease of flowering stage cultivation space  
22 in increments of 3,000 square feet by rule based on market  
23 need, craft grower capacity, and the licensee's history of  
24 compliance or noncompliance, with a maximum space of 14,000  
25 square feet for cultivating plants in the flowering stage,  
26 which must be cultivated in all stages of growth in an enclosed

1 and secure area. A craft grower may share premises with a  
2 processing organization or a dispensing organization, or both,  
3 provided each licensee stores currency and cannabis or  
4 cannabis-infused products in a separate secured vault to which  
5 the other licensee does not have access or all licensees  
6 sharing a vault share more than 50% of the same ownership.

7 "Craft grower agent" means a principal officer, board  
8 member, employee, or other agent of a craft grower who is 21  
9 years of age or older.

10 "Craft Grower Agent Identification Card" means a document  
11 issued by the Department of Agriculture that identifies a  
12 person as a craft grower agent.

13 "Cultivation center" means a facility operated by an  
14 organization or business that is licensed by the Department of  
15 Agriculture to cultivate, process, transport (unless otherwise  
16 limited by this Act), and perform other necessary activities  
17 to provide cannabis and cannabis-infused products to cannabis  
18 business establishments.

19 "Cultivation center agent" means a principal officer,  
20 board member, employee, or other agent of a cultivation center  
21 who is 21 years of age or older.

22 "Cultivation Center Agent Identification Card" means a  
23 document issued by the Department of Agriculture that  
24 identifies a person as a cultivation center agent.

25 "Currency" means currency and coin of the United States.

26 "Dispensary" means a facility operated by a dispensing

1 organization at which activities licensed by this Act may  
2 occur.

3 "Dispensary Applicant" means the Proposed Dispensing  
4 Organization Name as stated on an application for a  
5 Conditional Adult Use Dispensing Organization License.

6 "Dispensing organization" means a facility operated by an  
7 organization or business that is licensed by the Department of  
8 Financial and Professional Regulation to acquire cannabis from  
9 a cultivation center, craft grower, processing organization,  
10 or another dispensary for the purpose of selling or dispensing  
11 cannabis, cannabis-infused products, cannabis seeds,  
12 paraphernalia, or related supplies under this Act to  
13 purchasers or to qualified registered medical cannabis  
14 patients and caregivers. As used in this Act, "dispensing  
15 organization" includes a registered medical cannabis  
16 organization as defined in the Compassionate Use of Medical  
17 Cannabis Program Act or its successor Act that has obtained an  
18 Early Approval Adult Use Dispensing Organization License.

19 "Dispensing organization agent" means a principal officer,  
20 employee, or agent of a dispensing organization who is 21  
21 years of age or older.

22 "Dispensing organization agent identification card" means  
23 a document issued by the Department of Financial and  
24 Professional Regulation that identifies a person as a  
25 dispensing organization agent.

26 "Disproportionately Impacted Area" means a census tract or

1 comparable geographic area that satisfies the following  
2 criteria as determined by the Department of Commerce and  
3 Economic Opportunity, that:

4 (1) meets at least one of the following criteria:

5 (A) the area has a poverty rate of at least 20%  
6 according to the latest federal decennial census; or

7 (B) 75% or more of the children in the area  
8 participate in the federal free lunch program  
9 according to reported statistics from the State Board  
10 of Education; or

11 (C) at least 20% of the households in the area  
12 receive assistance under the Supplemental Nutrition  
13 Assistance Program; or

14 (D) the area has an average unemployment rate, as  
15 determined by the Illinois Department of Employment  
16 Security, that is more than 120% of the national  
17 unemployment average, as determined by the United  
18 States Department of Labor, for a period of at least 2  
19 consecutive calendar years preceding the date of the  
20 application; and

21 (2) has high rates of arrest, conviction, and  
22 incarceration related to the sale, possession, use,  
23 cultivation, manufacture, or transport of cannabis.

24 "Early Approval Adult Use Cultivation Center License"  
25 means a license that permits a medical cannabis cultivation  
26 center licensed under the Compassionate Use of Medical

1 Cannabis Program Act as of the effective date of this Act to  
2 begin cultivating, infusing, packaging, transporting (unless  
3 otherwise provided in this Act), processing, and selling  
4 cannabis or cannabis-infused product to cannabis business  
5 establishments for resale to purchasers as permitted by this  
6 Act as of January 1, 2020.

7 "Early Approval Adult Use Dispensing Organization License"  
8 means a license that permits a medical cannabis dispensing  
9 organization licensed under the Compassionate Use of Medical  
10 Cannabis Program Act as of the effective date of this Act to  
11 begin selling cannabis or cannabis-infused product to  
12 purchasers as permitted by this Act as of January 1, 2020.

13 "Early Approval Adult Use Dispensing Organization at a  
14 secondary site" means a license that permits a medical  
15 cannabis dispensing organization licensed under the  
16 Compassionate Use of Medical Cannabis Program Act as of the  
17 effective date of this Act to begin selling cannabis or  
18 cannabis-infused product to purchasers as permitted by this  
19 Act on January 1, 2020 at a different dispensary location from  
20 its existing registered medical dispensary location.

21 "Eligible Tied Applicant" means a Tied Applicant that is  
22 eligible to participate in the process by which a remaining  
23 available license is distributed by lot pursuant to a Tied  
24 Applicant Lottery.

25 "Enclosed, locked facility" means a room, greenhouse,  
26 building, or other enclosed area equipped with locks or other

1 security devices that permit access only by cannabis business  
2 establishment agents working for the licensed cannabis  
3 business establishment or acting pursuant to this Act to  
4 cultivate, process, store, or distribute cannabis.

5 "Enclosed, locked space" means a closet, room, greenhouse,  
6 building, or other enclosed area equipped with locks or other  
7 security devices that permit access only by authorized  
8 individuals under this Act. "Enclosed, locked space" may  
9 include:

10 (1) a space within a residential building that (i) is  
11 the primary residence of the individual cultivating 5 or  
12 fewer cannabis plants that are more than 5 inches tall and  
13 (ii) includes sleeping quarters and indoor plumbing. The  
14 space must only be accessible by a key or code that is  
15 different from any key or code that can be used to access  
16 the residential building from the exterior; or

17 (2) a structure, such as a shed or greenhouse, that  
18 lies on the same plot of land as a residential building  
19 that (i) includes sleeping quarters and indoor plumbing  
20 and (ii) is used as a primary residence by the person  
21 cultivating 5 or fewer cannabis plants that are more than  
22 5 inches tall, such as a shed or greenhouse. The structure  
23 must remain locked when it is unoccupied by people.

24 "Financial institution" has the same meaning as "financial  
25 organization" as defined in Section 1501 of the Illinois  
26 Income Tax Act, and also includes the holding companies,

1 subsidiaries, and affiliates of such financial organizations.

2 "Flowering stage" means the stage of cultivation where and  
3 when a cannabis plant is cultivated to produce plant material  
4 for cannabis products. This includes mature plants as follows:

5 (1) if greater than 2 stigmas are visible at each  
6 internode of the plant; or

7 (2) if the cannabis plant is in an area that has been  
8 intentionally deprived of light for a period of time  
9 intended to produce flower buds and induce maturation,  
10 from the moment the light deprivation began through the  
11 remainder of the marijuana plant growth cycle.

12 "Individual" means a natural person.

13 "Infuser organization" or "infuser" means a facility  
14 operated by an organization or business that is licensed by  
15 the Department of Agriculture to directly incorporate cannabis  
16 or cannabis concentrate into a product formulation to produce  
17 a cannabis-infused product.

18 "Kief" means the resinous crystal-like trichomes that are  
19 found on cannabis and that are accumulated, resulting in a  
20 higher concentration of cannabinoids, untreated by heat or  
21 pressure, or extracted using a solvent.

22 "Labor peace agreement" means an agreement between a  
23 cannabis business establishment and any labor organization  
24 recognized under the National Labor Relations Act, referred to  
25 in this Act as a bona fide labor organization, that prohibits  
26 labor organizations and members from engaging in picketing,

1 work stoppages, boycotts, and any other economic interference  
2 with the cannabis business establishment. This agreement means  
3 that the cannabis business establishment has agreed not to  
4 disrupt efforts by the bona fide labor organization to  
5 communicate with, and attempt to organize and represent, the  
6 cannabis business establishment's employees. The agreement  
7 shall provide a bona fide labor organization access at  
8 reasonable times to areas in which the cannabis business  
9 establishment's employees work, for the purpose of meeting  
10 with employees to discuss their right to representation,  
11 employment rights under State law, and terms and conditions of  
12 employment. This type of agreement shall not mandate a  
13 particular method of election or certification of the bona  
14 fide labor organization.

15 "Limited access area" means a room or other area under the  
16 control of a cannabis dispensing organization licensed under  
17 this Act and upon the licensed premises where cannabis sales  
18 occur with access limited to purchasers, dispensing  
19 organization owners and other dispensing organization agents,  
20 or service professionals conducting business with the  
21 dispensing organization, or, if sales to registered qualifying  
22 patients, caregivers, provisional patients, and Opioid  
23 Alternative Pilot Program participants licensed pursuant to  
24 the Compassionate Use of Medical Cannabis Program Act are also  
25 permitted at the dispensary, registered qualifying patients,  
26 caregivers, provisional patients, and Opioid Alternative Pilot

1 Program participants.

2 "Member of an impacted family" means an individual who has  
3 a parent, legal guardian, child, spouse, or dependent, or was  
4 a dependent of an individual who, prior to the effective date  
5 of this Act, was arrested for, convicted of, or adjudicated  
6 delinquent for any offense that is eligible for expungement  
7 under this Act.

8 "Mother plant" means a cannabis plant that is cultivated  
9 or maintained for the purpose of generating clones, and that  
10 will not be used to produce plant material for sale to an  
11 infuser or dispensing organization.

12 "Ordinary public view" means within the sight line with  
13 normal visual range of a person, unassisted by visual aids,  
14 from a public street or sidewalk adjacent to real property, or  
15 from within an adjacent property.

16 "Ownership and control" means ownership of at least 51% of  
17 the business, including corporate stock if a corporation, and  
18 control over the management and day-to-day operations of the  
19 business and an interest in the capital, assets, and profits  
20 and losses of the business proportionate to percentage of  
21 ownership.

22 "Person" means a natural individual, firm, partnership,  
23 association, joint stock company, joint venture, public or  
24 private corporation, limited liability company, or a receiver,  
25 executor, trustee, guardian, or other representative appointed  
26 by order of any court.

1 "Possession limit" means the amount of cannabis under  
2 Section 10-10 that may be possessed at any one time by a person  
3 21 years of age or older or who is a registered qualifying  
4 medical cannabis patient or caregiver under the Compassionate  
5 Use of Medical Cannabis Program Act.

6 "Principal officer" includes a cannabis business  
7 establishment applicant or licensed cannabis business  
8 establishment's board member, owner with more than 1% interest  
9 of the total cannabis business establishment or more than 5%  
10 interest of the total cannabis business establishment of a  
11 publicly traded company, president, vice president, secretary,  
12 treasurer, partner, officer, member, manager member, or person  
13 with a profit sharing, financial interest, or revenue sharing  
14 arrangement. The definition includes a person with authority  
15 to control the cannabis business establishment, a person who  
16 assumes responsibility for the debts of the cannabis business  
17 establishment and who is further defined in this Act.

18 "Primary residence" means a dwelling where a person  
19 usually stays or stays more often than other locations. It may  
20 be determined by, without limitation, presence, tax filings;  
21 address on an Illinois driver's license, an Illinois  
22 Identification Card, or an Illinois Person with a Disability  
23 Identification Card; or voter registration. No person may have  
24 more than one primary residence.

25 "Processing organization" or "processor" means a facility  
26 operated by an organization or business that is licensed by

1 the Department of Agriculture to either extract constituent  
2 chemicals or compounds to produce cannabis concentrate or  
3 incorporate cannabis or cannabis concentrate into a product  
4 formulation to produce a cannabis product.

5 "Processing organization agent" means a principal officer,  
6 board member, employee, or agent of a processing organization.

7 "Processing organization agent identification card" means  
8 a document issued by the Department of Agriculture that  
9 identifies a person as a processing organization agent.

10 "Purchaser" means a person 21 years of age or older who  
11 acquires cannabis for a valuable consideration. "Purchaser"  
12 does not include a cardholder under the Compassionate Use of  
13 Medical Cannabis Program Act.

14 "Qualifying Applicant" means an applicant that submitted  
15 an application pursuant to Section 15-30 that received at  
16 least 85% of 250 application points available under Section  
17 15-30 as the applicant's final score and meets the definition  
18 of "Social Equity Applicant" as set forth under this Section.

19 "Qualifying Social Equity Justice Involved Applicant"  
20 means an applicant that submitted an application pursuant to  
21 Section 15-30 that received at least 85% of 250 application  
22 points available under Section 15-30 as the applicant's final  
23 score and meets the criteria of either paragraph (1) or (2) of  
24 the definition of "Social Equity Applicant" as set forth under  
25 this Section.

26 "Qualified Social Equity Applicant" means a Social Equity

1 Applicant who has been awarded a conditional license under  
2 this Act to operate a cannabis business establishment.

3 "Resided" means an individual's primary residence was  
4 located within the relevant geographic area as established by  
5 2 of the following:

6 (1) a signed lease agreement that includes the  
7 applicant's name;

8 (2) a property deed that includes the applicant's  
9 name;

10 (3) school records;

11 (4) a voter registration card;

12 (5) an Illinois driver's license, an Illinois  
13 Identification Card, or an Illinois Person with a  
14 Disability Identification Card;

15 (6) a paycheck stub;

16 (7) a utility bill;

17 (8) tax records; or

18 (9) any other proof of residency or other information  
19 necessary to establish residence as provided by rule.

20 "Smoking" means the inhalation of smoke caused by the  
21 combustion of cannabis.

22 "Social Equity Applicant" means an applicant that is an  
23 Illinois resident that meets one of the following criteria:

24 (1) an applicant with at least 51% ownership and  
25 control by one or more individuals who have resided for at  
26 least 5 of the preceding 10 years in a Disproportionately

1           Impacted Area;

2           (2) an applicant with at least 51% ownership and  
3 control by one or more individuals who:

4           (i) have been arrested for, convicted of, or  
5 adjudicated delinquent for any offense that is  
6 eligible for expungement under this Act; or

7           (ii) is a member of an impacted family;

8           (3) for applicants with a minimum of 10 full-time  
9 employees, an applicant with at least 51% of current  
10 employees who:

11           (i) currently reside in a Disproportionately  
12 Impacted Area; or

13           (ii) have been arrested for, convicted of, or  
14 adjudicated delinquent for any offense that is  
15 eligible for expungement under this Act or member of  
16 an impacted family.

17           Nothing in this Act shall be construed to preempt or limit  
18 the duties of any employer under the Job Opportunities for  
19 Qualified Applicants Act. Nothing in this Act shall permit an  
20 employer to require an employee to disclose sealed or expunged  
21 offenses, unless otherwise required by law.

22           "Tied Applicant" means an application submitted by a  
23 Dispensary Applicant pursuant to Section 15-30 that received  
24 the same number of application points under Section 15-30 as  
25 the Dispensary Applicant's final score as one or more  
26 top-scoring applications in the same BLS Region and would have

1 been awarded a license but for the one or more other  
2 top-scoring applications that received the same number of  
3 application points. Each application for which a Dispensary  
4 Applicant was required to pay a required application fee for  
5 the application period ending January 2, 2020 shall be  
6 considered an application of a separate Tied Applicant.

7 "Tied Applicant Lottery" means the process established  
8 under 68 Ill. Adm. Code 1291.50 for awarding Conditional Adult  
9 Use Dispensing Organization Licenses pursuant to Sections  
10 15-25 and 15-30 among Eligible Tied Applicants.

11 "Tincture" means a cannabis-infused solution, typically  
12 comprised of alcohol, glycerin, or vegetable oils, derived  
13 either directly from the cannabis plant or from a processed  
14 cannabis extract. A tincture is not an alcoholic liquor as  
15 defined in the Liquor Control Act of 1934. A tincture shall  
16 include a calibrated dropper or other similar device capable  
17 of accurately measuring servings.

18 Transfer site" means a secure, non-retail facility  
19 operated by a licensed cannabis transporter holding a transfer  
20 site endorsement for the short-term storage, consolidation,  
21 and logistical movement of cannabis or cannabis-infused  
22 products, as authorized under Section 1-10.5.

23 "Transfer site endorsement" means an authorization issued  
24 by the Department of Agriculture permitting an eligible social  
25 equity cannabis transporter to operate one or more transfer  
26 sites in accordance with this Act and rules adopted under it.

1 "Transporting organization" or "transporter" means an  
2 organization or business that is licensed by the Department of  
3 Agriculture to transport cannabis or cannabis-infused product  
4 on behalf of a cannabis business establishment or a community  
5 college licensed under the Community College Cannabis  
6 Vocational Training Pilot Program.

7 "Transporting organization agent" means a principal  
8 officer, board member, employee, or agent of a transporting  
9 organization.

10 "Transporting organization agent identification card"  
11 means a document issued by the Department of Agriculture that  
12 identifies a person as a transporting organization agent.

13 "Unit of local government" means any county, city,  
14 village, or incorporated town.

15 "Vegetative stage" means the stage of cultivation in which  
16 a cannabis plant is propagated to produce additional cannabis  
17 plants or reach a sufficient size for production. This  
18 includes seedlings, clones, mothers, and other immature  
19 cannabis plants as follows:

20 (1) if the cannabis plant is in an area that has not  
21 been intentionally deprived of light for a period of time  
22 intended to produce flower buds and induce maturation, it  
23 has no more than 2 stigmas visible at each internode of the  
24 cannabis plant; or

25 (2) any cannabis plant that is cultivated solely for  
26 the purpose of propagating clones and is never used to

1 produce cannabis.

2 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;  
3 102-98, eff. 7-15-21; 102-538, eff. 8-20-21; 102-813, eff.  
4 5-13-22.)

5 (410 ILCS 705/40-50 new)

6 Sec. 40-50. Transfer site endorsement.

7 (a) The Department of Agriculture shall establish a  
8 transfer site endorsement for licensed cannabis transporters  
9 that have been awarded a social equity designation under this  
10 Act. The endorsement shall authorize the transporter to own  
11 and operate one or more secure, approved cannabis transfer  
12 sites for the limited purpose of short-term storage and  
13 logistical consolidation of cannabis or cannabis-infused  
14 products.

15 (b) A transfer site may be used solely for:

16 (1) temporary storage of cannabis or cannabis-infused  
17 products for a period not to exceed 7 calendar days;

18 (2) consolidation or aggregation of cannabis or  
19 cannabis-infused products from multiple licensed  
20 cultivation centers, craft growers, infusers, or  
21 transporters into compliant outbound shipments; and

22 (3) secure handling of cannabis or cannabis-infused  
23 products rejected by a dispensing organization or other  
24 licensee, pending lawful return, redistribution, or other  
25 disposition as authorized by rule.

1       (c) All cannabis or cannabis-infused products received,  
2 stored, or dispatched at a transfer site shall remain subject  
3 to full seed-to-sale tracking requirements and shall be logged  
4 in the State's cannabis tracking system at receipt and  
5 dispatch.

6       (d) A transfer site endorsement does not authorize retail  
7 sales, processing, repackaging, relabeling, or alteration of  
8 cannabis or cannabis-infused products.

9       (e) A transporter holding a transfer site endorsement may  
10 operate up to 5 transfer sites statewide, subject to  
11 geographic and population-based distribution criteria  
12 established by the Department by rule. In establishing such  
13 criteria, the Department shall consider county population,  
14 regional demographics, market access, and the prevention of  
15 excessive concentration in any single area of the State.

16       (f) Ownership and operation of a transfer site shall be  
17 limited to transporters holding a social equity designation  
18 under this Act. Up to 50% of the operational capacity of each  
19 transfer site shall be reserved for use by other social equity  
20 transport license holders that do not operate their own  
21 transfer sites. Reasonable fees may be charged for storage and  
22 utilization to recover associated costs, as permitted by rule.

23       (g) Cannabis or cannabis-infused products from multiple  
24 licensed entities may be aggregated at a transfer site into  
25 consolidated outbound shipments, provided that all such  
26 activity complies with chain-of-custody, security, and

1 tracking requirements.

2 (410 ILCS 705/40-55 new)

3 Sec. 40-55. Security, compliance, and insurance for  
4 transfer sites.

5 (a) Transfer sites shall comply with heightened security  
6 requirements, including 24-hour video surveillance, alarm  
7 systems, controlled access points, and secure storage  
8 protocols, as established by rule.

9 (b) Transfer site operators shall maintain insurance  
10 coverage, in amounts and forms established by rule, sufficient  
11 to cover cannabis or cannabis-infused products stored at the  
12 site and in transit.

13 (c) The Department of Agriculture, in coordination with  
14 the Illinois State Police, may conduct inspections, audits,  
15 and investigations of transfer sites and endorsed transporters  
16 and may impose disciplinary action or penalties under this Act  
17 for violations.

18 (410 ILCS 705/40-60 new)

19 Sec. 40-60. Local zoning and coordination.

20 (a) Issuance or renewal of a transfer site endorsement  
21 shall be conditioned upon compliance with applicable local  
22 zoning and land-use requirements.

23 (b) The Department shall coordinate with units of local  
24 government regarding transfer site approval, complaint intake,

1 and enforcement actions.

2 (410 ILCS 705/40-65 new)

3 Sec. 40-65. Rulemaking. The Department of Agriculture  
4 shall adopt rules necessary to implement the transfer site  
5 endorsement, including application and renewal procedures,  
6 operational and security standards, reporting and audit  
7 requirements, procedures for handling rejected cannabis or  
8 cannabis-infused products, and social equity preference  
9 criteria.