



## 104TH GENERAL ASSEMBLY

### State of Illinois

### 2025 and 2026

#### HB5427

Introduced 2/13/2026, by Rep. Theresa Mah

#### SYNOPSIS AS INTRODUCED:

225 ILCS 120/15	from Ch. 111, par. 8301-15
225 ILCS 120/25.7 new	
225 ILCS 120/26	
225 ILCS 120/31	
225 ILCS 120/40	from Ch. 111, par. 8301-40
225 ILCS 120/50	from Ch. 111, par. 8301-50
225 ILCS 120/56	
225 ILCS 120/60	from Ch. 111, par. 8301-60
225 ILCS 120/80	from Ch. 111, par. 8301-80
225 ILCS 120/155	from Ch. 111, par. 8301-155
225 ILCS 120/185	from Ch. 111, par. 8301-185
225 ILCS 120/200	

Amends the Wholesale Drug Distribution Licensing Act. Defines "virtual wholesale distributor". Provides that every virtual wholesale distributor that engages in virtual drug distribution of prescription drugs shall be licensed by the Department of Financial and Professional Regulation. Provides that a virtual wholesale distributor shall only contract with entities licensed under the Act to take physical possession of prescription drugs if the prescription drugs are being shipped into the State. Sets forth requirements for applicants for a virtual wholesale distributor license. Provides that a virtual wholesale distributor shall ensure that any licensed entity providing distribution services to the virtual wholesale distributor complies with certain requirements. Provides that a virtual wholesale distributor shall not operate out of a location that is a residence or personal dwelling. Makes conforming changes in provisions concerning definitions; unlicensed practice; the expiration of a license; rules and regulations; inspection powers of a pharmacy investigator; restrictions on transactions; wholesaler licensing complaints; violations of the Act; temporary suspension of a license; home rule preemption; and drugs in storage. Makes other changes. Effective immediately.

LRB104 17960 AAS 31397 b

1 AN ACT concerning regulation.

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

4 Section 5. The Wholesale Drug Distribution Licensing Act  
5 is amended by changing Sections 15, 26, 31, 40, 50, 56, 60, 80,  
6 155, 185, and 200 and by adding Section 25.7 as follows:

7 (225 ILCS 120/15) (from Ch. 111, par. 8301-15)

8 (Section scheduled to be repealed on January 1, 2028)

9 Sec. 15. Definitions. As used in this Act:

10 "Address of record" means the designated address recorded  
11 by the Department in the applicant's application file or  
12 licensee's license file maintained by the Department's  
13 licensure maintenance unit.

14 "Authentication" means the affirmative verification,  
15 before any wholesale distribution of a prescription drug  
16 occurs, that each transaction listed on the pedigree has  
17 occurred.

18 "Authorized distributor of record" means a wholesale  
19 distributor or virtual wholesale distributor with whom a  
20 manufacturer has established an ongoing relationship to  
21 distribute the manufacturer's prescription drug. An ongoing  
22 relationship is deemed to exist between a wholesale  
23 distributor or virtual wholesale distributor and a

1 manufacturer when the wholesale distributor or virtual  
2 wholesale distributor, including any affiliated group of the  
3 wholesale distributor or virtual wholesale distributor, as  
4 defined in Section 1504 of the Internal Revenue Code, complies  
5 with the following:

6 (1) The wholesale distributor or virtual wholesale  
7 distributor has a written agreement currently in effect  
8 with the manufacturer evidencing the ongoing relationship;  
9 and

10 (2) The wholesale distributor or virtual wholesale  
11 distributor is listed on the manufacturer's current list  
12 of authorized distributors of record, which is updated by  
13 the manufacturer on no less than a monthly basis.

14 "Blood" means whole blood collected from a single donor  
15 and processed either for transfusion or further manufacturing.

16 "Blood component" means that part of blood separated by  
17 physical or mechanical means.

18 "Board" means the State Board of Pharmacy of the  
19 Department of Financial and Professional Regulation.

20 "Chain pharmacy warehouse" means a physical location for  
21 prescription drugs that acts as a central warehouse and  
22 performs intracompany sales or transfers of the drugs to a  
23 group of chain or mail order pharmacies that have the same  
24 common ownership and control. Notwithstanding any other  
25 provision of this Act, a chain pharmacy warehouse shall be  
26 considered part of the normal distribution channel.

1 "Co-licensed partner or product" means an instance where  
2 one or more parties have the right to engage in the  
3 manufacturing or marketing of a prescription drug, consistent  
4 with the FDA's implementation of the Prescription Drug  
5 Marketing Act.

6 "Department" means the Department of Financial and  
7 Professional Regulation.

8 "Drop shipment" means the sale of a prescription drug to a  
9 wholesale distributor or virtual wholesale distributor by the  
10 manufacturer of the prescription drug or that manufacturer's  
11 co-licensed product partner, that manufacturer's third-party  
12 logistics provider, or that manufacturer's exclusive  
13 distributor or by an authorized distributor of record that  
14 purchased the product directly from the manufacturer or one of  
15 these entities whereby the wholesale distributor, virtual  
16 wholesale distributor, or chain pharmacy warehouse takes title  
17 but not physical possession of such prescription drug and the  
18 wholesale distributor or virtual wholesale distributor  
19 invoices the pharmacy, chain pharmacy warehouse, or other  
20 person authorized by law to dispense or administer such drug  
21 to a patient and the pharmacy, chain pharmacy warehouse, or  
22 other authorized person receives delivery of the prescription  
23 drug directly from the manufacturer, that manufacturer's  
24 third-party logistics provider, or that manufacturer's  
25 exclusive distributor or from an authorized distributor of  
26 record that purchased the product directly from the

1 manufacturer or one of these entities.

2 "Drug sample" means a unit of a prescription drug that is  
3 not intended to be sold and is intended to promote the sale of  
4 the drug.

5 "Email address of record" means the designated email  
6 address recorded by the Department in the applicant's  
7 application file or the licensee's license file, as maintained  
8 by the Department's licensure maintenance unit.

9 "Facility" means a facility of a wholesale distributor  
10 where prescription drugs are stored, handled, repackaged, or  
11 offered for sale, or a facility of a third-party logistics  
12 provider where prescription drugs are stored or handled.

13 "FDA" means the United States Food and Drug  
14 Administration.

15 "Manufacturer" means a person licensed or approved by the  
16 FDA to engage in the manufacture of drugs or devices,  
17 consistent with the definition of "manufacturer" set forth in  
18 the FDA's regulations and guidances implementing the  
19 Prescription Drug Marketing Act. "Manufacturer" does not  
20 include anyone who is engaged in the packaging, repackaging,  
21 or labeling of drugs only to the extent permitted under the  
22 Illinois Drug Reuse Opportunity Program Act.

23 "Manufacturer's exclusive distributor" means anyone who  
24 contracts with a manufacturer to provide or coordinate  
25 warehousing, distribution, or other services on behalf of a  
26 manufacturer and who takes title to that manufacturer's

1 prescription drug, but who does not have general  
2 responsibility to direct the sale or disposition of the  
3 manufacturer's prescription drug. A manufacturer's exclusive  
4 distributor must be licensed as a wholesale distributor under  
5 this Act and, in order to be considered part of the normal  
6 distribution channel, must also be an authorized distributor  
7 of record.

8 "Normal distribution channel" means a chain of custody for  
9 a prescription drug that goes, directly or by drop shipment,  
10 from (i) a manufacturer of the prescription drug, (ii) that  
11 manufacturer to that manufacturer's co-licensed partner, (iii)  
12 that manufacturer to that manufacturer's virtual wholesale  
13 distributor ~~third-party logistics provider~~, or (iv) that  
14 manufacturer to that manufacturer's exclusive distributor or  
15 third-party logistics provider to:

16 (1) a pharmacy or to other designated persons  
17 authorized by law to dispense or administer the drug to a  
18 patient;

19 (2) a wholesale distributor to a pharmacy or other  
20 designated persons authorized by law to dispense or  
21 administer the drug to a patient;

22 (3) a wholesale distributor to a chain pharmacy  
23 warehouse to that chain pharmacy warehouse's intracompany  
24 pharmacy to a patient or other designated persons  
25 authorized by law to dispense or administer the drug to a  
26 patient;

1           (4) a chain pharmacy warehouse to the chain pharmacy  
2           warehouse's intracompany pharmacy or other designated  
3           persons authorized by law to dispense or administer the  
4           drug to the patient;

5           (5) an authorized distributor of record to one other  
6           authorized distributor of record to an office-based health  
7           care practitioner authorized by law to dispense or  
8           administer the drug to the patient; or

9           (6) an authorized distributor to a pharmacy or other  
10          persons licensed to dispense or administer the drug.

11          "Pedigree" means a document or electronic file containing  
12          information that records each wholesale distribution of any  
13          given prescription drug from the point of origin to the final  
14          wholesale distribution point of any given prescription drug.

15          "Person" means and includes a natural person, partnership,  
16          association, corporation, or any other legal business entity.

17          "Pharmacy distributor" means any pharmacy licensed in this  
18          State or hospital pharmacy that is engaged in the delivery or  
19          distribution of prescription drugs either to any other  
20          pharmacy licensed in this State or to any other person or  
21          entity including, but not limited to, a wholesale drug  
22          distributor engaged in the delivery or distribution of  
23          prescription drugs who is involved in the actual,  
24          constructive, or attempted transfer of a drug in this State to  
25          other than the ultimate consumer except as otherwise provided  
26          for by law.

1 "Prescription drug" means any human drug, including any  
2 biological product (except for blood and blood components  
3 intended for transfusion or biological products that are also  
4 medical devices), required by federal law or regulation to be  
5 dispensed only by a prescription, including finished dosage  
6 forms and bulk drug substances subject to Section 503 of the  
7 Federal Food, Drug and Cosmetic Act.

8 "Repackage" means repackaging or otherwise changing the  
9 container, wrapper, or labeling to further the distribution of  
10 a prescription drug, excluding that completed by the  
11 pharmacist responsible for dispensing the product to a  
12 patient.

13 "Secretary" means the Secretary of the Department of  
14 Financial and Professional Regulation.

15 "Suspicious order" includes, but is not limited to, an  
16 order of a controlled substance of unusual size, an order of a  
17 controlled substance deviating substantially from a normal  
18 pattern, and orders of controlled substances of unusual  
19 frequency as defined by 21 U.S.C. 802.

20 "Third-party logistics provider" means anyone who  
21 contracts with a prescription drug manufacturer or virtual  
22 wholesale distributor to provide or coordinate warehousing,  
23 distribution, or other services on behalf of a manufacturer or  
24 virtual wholesale distributor, but does not take title to the  
25 prescription drug or have general responsibility to direct the  
26 prescription drug's sale or disposition.

1 "Wholesale distribution" means the distribution of  
2 prescription drugs to persons other than a consumer or  
3 patient, but does not include any of the following:

4 (1) Intracompany sales of prescription drugs, meaning  
5 (i) any transaction or transfer between any division,  
6 subsidiary, parent, or affiliated or related company under  
7 the common ownership and control of a corporate entity or  
8 (ii) any transaction or transfer between co-licensees of a  
9 co-licensed product.

10 (2) The sale, purchase, distribution, trade, or  
11 transfer of a prescription drug or offer to sell,  
12 purchase, distribute, trade, or transfer a prescription  
13 drug for emergency medical reasons.

14 (3) The distribution of prescription drug samples by  
15 manufacturers' representatives.

16 (4) Drug returns, when conducted by a hospital, health  
17 care entity, or charitable institution in accordance with  
18 federal regulation.

19 (5) The sale of minimal quantities of prescription  
20 drugs by licensed pharmacies to licensed practitioners for  
21 office use or other licensed pharmacies.

22 (6) The sale, purchase, or trade of a drug, an offer to  
23 sell, purchase, or trade a drug, or the dispensing of a  
24 drug pursuant to a prescription.

25 (7) The sale, transfer, merger, or consolidation of  
26 all or part of the business of a pharmacy or pharmacies

1 from or with another pharmacy or pharmacies, whether  
2 accomplished as a purchase and sale of stock or business  
3 assets.

4 (8) The sale, purchase, distribution, trade, or  
5 transfer of a prescription drug from one authorized  
6 distributor of record to one additional authorized  
7 distributor of record when the manufacturer has stated in  
8 writing to the receiving authorized distributor of record  
9 that the manufacturer is unable to supply the prescription  
10 drug and the supplying authorized distributor of record  
11 states in writing that the prescription drug being  
12 supplied had until that time been exclusively in the  
13 normal distribution channel.

14 (9) The delivery of or the offer to deliver a  
15 prescription drug by a common carrier solely in the common  
16 carrier's usual course of business of transporting  
17 prescription drugs when the common carrier does not store,  
18 warehouse, or take legal ownership of the prescription  
19 drug.

20 (10) The sale or transfer from a retail pharmacy, mail  
21 order pharmacy, or chain pharmacy warehouse of expired,  
22 damaged, returned, or recalled prescription drugs to the  
23 original manufacturer, the originating wholesale  
24 distributor, or a third party returns processor.

25 (11) The donation of drugs to the extent permitted  
26 under the Illinois Drug Reuse Opportunity Program Act.

1 "Wholesale drug distributor" means anyone engaged in the  
2 wholesale distribution of prescription drugs into, out of, or  
3 within the State, including, without limitation,  
4 manufacturers; repackers; own label distributors; jobbers;  
5 private label distributors; brokers; warehouses, including  
6 manufacturers' and distributors' warehouses; manufacturer's  
7 exclusive distributors; and authorized distributors of record;  
8 drug wholesalers or distributors; independent wholesale drug  
9 traders; specialty wholesale distributors; retail pharmacies  
10 that conduct wholesale distribution; and chain pharmacy  
11 warehouses that conduct wholesale distribution. In order to be  
12 considered part of the normal distribution channel, a  
13 wholesale distributor must also be an authorized distributor  
14 of record.

15 "Virtual wholesale distributor" means any person engaged  
16 in the wholesale distribution of prescription drugs into, out  
17 of, or within the State who holds title to, but does not take  
18 physical possession of, prescription drugs.

19 (Source: P.A. 102-389, eff. 1-1-22; 102-879, eff. 1-1-23;  
20 103-154, eff. 6-30-23.)

21 (225 ILCS 120/25.7 new)

22 Sec. 25.7. Virtual wholesale distributor licensing  
23 requirements.

24 (a) Every virtual wholesale distributor that engages in  
25 virtual drug distribution of prescription drugs shall be

1 licensed by the Department. A virtual wholesale distributor  
2 shall only contract with entities licensed under this Act to  
3 take physical possession of prescription drugs if the  
4 prescription drugs are being shipped into the State.

5 (b) Each applicant for licensure as a virtual wholesale  
6 distributor under this Act shall submit the following  
7 information to the Department:

8 (1) the name, full business address, and telephone  
9 number of the applicant;

10 (2) all trade or business names used by the applicant;

11 (3) addresses, email addresses, telephone numbers, and  
12 the names of contact persons for all facilities used by  
13 the applicant for the storage, handling, and distribution  
14 of prescription drugs;

15 (4) the applicant's type of ownership or operation,  
16 such as a partnership, corporation, or sole  
17 proprietorship;

18 (5) the name of each person with an ownership or  
19 operation interest in the applicant, including the  
20 following:

21 (A) if the applicant is a natural person, the name  
22 of the person;

23 (B) if the applicant is a partnership, the name of  
24 each partner and the name of the partnership;

25 (C) if the applicant is a corporation, the name  
26 and title of each person who owns 5% or more of its

1           stock and each corporate officer and director and the  
2           name of the state of incorporation;

3           (D) if the applicant is a sole proprietorship, the  
4           full name of the sole proprietor and the name of the  
5           business entity and the state of organization;

6           (E) if the applicant is a limited liability  
7           company, the name and title of each member or manager  
8           and the name of the business entity and the state of  
9           organization;

10          (F) if the applicant is a limited liability  
11          partnership, the name and title of each partner and  
12          the name of the partnership and the state of  
13          organization; and

14          (G) if the applicant is a limited partnership, the  
15          name and title of each partner and the name of the  
16          partnership and the state of organization;

17          (6) a list of all licenses and permits issued to the  
18          applicant by any other state that authorizes the applicant  
19          to purchase or facilitate the distribution of prescription  
20          drugs;

21          (7) minimum liability insurance and other insurance as  
22          defined by rule;

23          (8) the name and license number of the third-party  
24          logistics provider who provides warehouse and shipping  
25          services to the applicant; and

26          (9) any additional information required by the

1 Department.

2 (c) A virtual wholesale distributor shall ensure that any  
3 licensed entity providing distribution services to the virtual  
4 wholesale distributor complies with the following:

5 (1) the licensed entity is in compliance with all  
6 rules related to storage and distribution of prescription  
7 drugs;

8 (2) the licensed entity has designated a  
9 representative who is at least 21 years of age and who has  
10 adequate education, experience, and training to be  
11 employed by the licensed entity full time in a managerial  
12 level position and to be actively involved in and aware of  
13 the actual daily operation of the virtual wholesale  
14 distributor;

15 (3) the licensed entity contracts with carriers that  
16 provide adequate security to guard against in-transit  
17 losses; and

18 (4) the licensed entity is compliant with Title II of  
19 the federal Drug Quality and Security Act.

20 (d) A virtual wholesale distributor shall not operate out  
21 of a location that is a residence or personal dwelling.

22 (225 ILCS 120/26)

23 (Section scheduled to be repealed on January 1, 2028)

24 Sec. 26. Unlicensed practice; violation; civil penalty.

25 (a) Any person who practices, offers to practice, attempts

1 to practice, or holds oneself out to practice as a wholesale  
2 drug distributor, pharmacy distributor, virtual wholesale  
3 distributor, or third-party logistics provider without being  
4 licensed to ship into, out of, or within the State under this  
5 Act shall, in addition to any other penalty provided by law,  
6 pay a civil penalty to the Department in an amount not to  
7 exceed \$10,000 for each offense as determined by the  
8 Department. The civil penalty shall be assessed by the  
9 Department after a hearing is held in accordance with the  
10 provisions set forth in this Act regarding the provision of a  
11 hearing for the discipline of a licensee.

12 (b) The Department has the authority and power to  
13 investigate any and all unlicensed activity.

14 (c) The civil penalty shall be paid within 60 days after  
15 the effective date of the order imposing the civil penalty.  
16 The order shall constitute a judgment and may be filed and  
17 execution had thereon in the same manner as any judgment from  
18 any court of record.

19 (Source: P.A. 101-420, eff. 8-16-19.)

20 (225 ILCS 120/31)

21 (Section scheduled to be repealed on January 1, 2028)

22 Sec. 31. Expiration of license; renewal.

23 (a) The expiration date and renewal period for each  
24 license issued under this Act shall be set by rule.

25 (b) Any licensee who shall engage in the practice for

1 which the license was issued while the license is expired or on  
2 inactive status shall be considered to be practicing without a  
3 license which shall be grounds for discipline under this Act.

4 (c) A wholesale drug distributor, virtual wholesale  
5 distributor, or third-party logistics provider whose license  
6 has been expired for one year or more may not have its license  
7 restored but must apply for a new license and meet all  
8 requirements for licensure. Any wholesale drug distributor, virtual  
9 wholesale distributor, or third-party logistics  
10 provider whose license has been expired for less than one year  
11 may apply for restoration of its license and shall have its  
12 license restored.

13 (d) Anyone operating on an expired license is engaged in  
14 unlawful practice and subject to discipline under this Act.

15 (Source: P.A. 102-879, eff. 1-1-23.)

16 (225 ILCS 120/40) (from Ch. 111, par. 8301-40)

17 (Section scheduled to be repealed on January 1, 2028)

18 Sec. 40. Rules and regulations. The Department shall make  
19 any rules and regulations, not inconsistent with law, as may  
20 be necessary to carry out the purposes and enforce the  
21 provisions of this Act. All rules and regulations promulgated  
22 under this Section shall conform to wholesale drug distributor  
23 licensing guidelines formally adopted by the FDA at 21 C.F.R.  
24 Part 205. In case of conflict between any rule or regulation  
25 adopted by the Department and any FDA wholesale drug

1 distributor, virtual wholesale distributor, or third-party  
2 logistics provider guideline, the FDA guideline shall control.  
3 (Source: P.A. 101-420, eff. 8-16-19; 102-879, eff. 1-1-23.)

4 (225 ILCS 120/50) (from Ch. 111, par. 8301-50)

5 (Section scheduled to be repealed on January 1, 2028)

6 Sec. 50. Inspection powers; access to records.

7 (a) Any pharmacy investigator authorized by the Department  
8 has the right of entry for inspection of premises purporting  
9 or appearing to be used by a wholesale drug distributor,  
10 virtual wholesale distributor, or third-party logistics  
11 provider in this State, including the business premises of a  
12 person licensed pursuant to this Act. This right of entry  
13 shall permit the authorized pharmacy investigator unfettered  
14 access to the entire business premises. Any attempt to hinder  
15 an authorized pharmacy investigator from inspecting the  
16 business premises and documenting the inspection shall be a  
17 violation of this Act. The duly authorized investigators shall  
18 be required to show appropriate identification before being  
19 given access to the ~~a wholesale drug distributor's~~ premises  
20 and delivery vehicles.

21 (b) With the exception of the most recent 12 months of  
22 records that must be kept on the premises where the drugs are  
23 stored, wholesale drug distributors, virtual wholesale  
24 distributors, and third-party logistics providers may keep  
25 records regarding purchase and sales transactions

1 electronically at a central location apart from the principal  
2 office of the wholesale drug distributor or the location at  
3 which the drugs were stored and from which they were shipped,  
4 provided that the records shall be made readily available for  
5 inspection within 2 working days of a request by the  
6 Department. The records may be kept in any form permissible  
7 under federal law applicable to prescription drugs record  
8 keeping.

9 (c) (Blank).

10 (Source: P.A. 102-879, eff. 1-1-23.)

11 (225 ILCS 120/56)

12 (Section scheduled to be repealed on January 1, 2028)

13 Sec. 56. Restrictions on transactions.

14 (a) A licensee shall receive prescription drug returns or  
15 exchanges from a pharmacy or other persons authorized to  
16 administer or dispense drugs or a chain pharmacy warehouse  
17 pursuant to the terms and conditions of the agreement between  
18 the wholesale distributor, virtual wholesale distributor, or  
19 third-party logistics provider and the pharmacy or chain  
20 pharmacy warehouse. Returns of expired, damaged, recalled, or  
21 otherwise non-saleable pharmaceutical products shall be  
22 distributed by the receiving wholesale distributor or  
23 third-party logistics provider only to either the original  
24 manufacturer or a third party returns processor. Returns or  
25 exchanges of prescription drugs, saleable or otherwise,

1 including any redistribution by a receiving wholesaler, shall  
2 not be subject to the pedigree requirements of Section 57 of  
3 this Act, so long as they are exempt from the pedigree  
4 requirement of the FDA's currently applicable Prescription  
5 Drug Marketing Act guidance. Both licensees under this Act and  
6 pharmacies or other persons authorized to administer or  
7 dispense drugs shall be accountable for administering their  
8 returns process and ensuring that the aspects of this  
9 operation are secure and do not permit the entry of  
10 adulterated and counterfeit product.

11 (b) A manufacturer, ~~or~~ wholesale distributor, virtual  
12 wholesale distributor, or third-party logistics provider  
13 licensed under this Act may furnish prescription drugs only to  
14 a person licensed by the appropriate state licensing  
15 authorities. Before furnishing prescription drugs to a person  
16 not known to the manufacturer or licensee ~~wholesale~~  
17 ~~distributor~~, the manufacturer or licensee ~~wholesale~~  
18 ~~distributor~~ must affirmatively verify that the person is  
19 legally authorized to receive the prescription drugs by  
20 contacting the appropriate state licensing authorities.

21 (c) Prescription drugs furnished by a manufacturer, ~~or~~  
22 wholesale distributor, virtual wholesale distributor, or  
23 third-party logistics provider licensed under this Act may be  
24 delivered only to the premises listed on the license, provided  
25 that the manufacturer or licensee ~~wholesale distributor~~ may  
26 furnish prescription drugs to an authorized person or agent of

1 that person at the premises of the manufacturer or licensee  
2 ~~wholesale distributor~~ if:

3 (1) the identity and authorization of the recipient is  
4 properly established; and

5 (2) this method of receipt is employed only to meet  
6 the immediate needs of a particular patient of the  
7 authorized person.

8 (d) Prescription drugs may be furnished to a hospital  
9 pharmacy receiving area, provided that a pharmacist or  
10 authorized receiving personnel signs, at the time of delivery,  
11 a receipt showing the type and quantity of the prescription  
12 drug received. Any discrepancy between the receipt and the  
13 type and quantity of the prescription drug actually received  
14 shall be reported to the delivering manufacturer, ~~or~~ wholesale  
15 distributor, or third-party logistics provider by the next  
16 business day after the delivery to the pharmacy receiving  
17 area.

18 (e) A manufacturer, ~~or~~ wholesale distributor, or virtual  
19 wholesale distributor licensed under this Act may not accept  
20 payment for, or allow the use of, a person or entity's credit  
21 to establish an account for the purchase of prescription drugs  
22 from any person other than the owner of record, the chief  
23 executive officer, or the chief financial officer listed on  
24 the license of a person or entity legally authorized to  
25 receive the prescription drugs. Any account established for  
26 the purchase of prescription drugs must bear the name of the

1 licensee. This subsection (e) shall not be construed to  
2 prohibit a pharmacy or chain pharmacy warehouse from receiving  
3 prescription drugs if payment for the prescription drugs is  
4 processed through the pharmacy's or chain pharmacy warehouse's  
5 contractual drug manufacturer or wholesale distributor.

6 (Source: P.A. 95-689, eff. 10-29-07.)

7 (225 ILCS 120/60) (from Ch. 111, par. 8301-60)

8 (Section scheduled to be repealed on January 1, 2028)

9 Sec. 60. Wholesaler licensing; complaints. The Department  
10 may refuse to issue a license to establish a new licensed  
11 wholesale drug distributor, virtual wholesale distributor, or  
12 third-party logistics provider distributorship, if an owner of  
13 the entity ~~wholesale drug distributorship~~ applying for a  
14 license was an owner of a wholesale drug distributor, virtual  
15 wholesale distributor, or third-party logistics provider  
16 ~~distributorship~~ that had its license revoked, unless the owner  
17 presents sufficient evidence indicating rehabilitation. Once a  
18 complaint has been filed by the Department against a wholesale  
19 drug distributor, virtual wholesale distributor, or  
20 third-party logistics provider distributorship the Department  
21 may refuse to issue a license to establish a new licensed  
22 wholesale drug distributor, virtual wholesale distributor, or  
23 third-party logistics provider distributorship, until such  
24 time as the Department issues a decision on the complaint if an  
25 owner of the new wholesale drug distributor, virtual wholesale

1 distributor, or third-party logistics provider distributorship  
2 was also an owner of a wholesale drug distributor, virtual  
3 wholesale distributor, or third-party logistics provider  
4 distributorship against which the complaint was filed. Neither  
5 an application for change of ownership nor for a change of  
6 location for any such entity ~~wholesale drug distributorship~~  
7 shall be acted on by the Department until such time as the  
8 Department issues a decision on the complaint. In the event  
9 that the wholesale drug distributor, virtual wholesale  
10 distributor, or third-party logistics provider distributorship  
11 against which the complaint has been filed ceases to be  
12 licensed by the Department, for any reason, before the  
13 Department's decision on the complaint and an owner or that  
14 wholesale drug distributor, virtual wholesale distributor, or  
15 third-party logistics provider distributorship applies for a  
16 license to establish a new wholesale drug distributor, virtual  
17 wholesale distributor, or third-party logistics provider  
18 distributorship, the Department shall conduct a hearing on the  
19 complaint earlier filed, regardless of whether that wholesale  
20 drug distributor, virtual wholesale distributor, or  
21 third-party logistics provider distributorship is presently  
22 licensed by the Department. If the conduct for which the  
23 complaint was originally filed would have been sufficient to  
24 result in a revocation of a license to operate a licensed  
25 wholesale drug distributor, virtual wholesale distributor, or  
26 third-party logistics provider distributorship, then the

1 conduct shall constitute sufficient grounds for denial of an  
2 application for a license.

3 (Source: P.A. 87-594.)

4 (225 ILCS 120/80) (from Ch. 111, par. 8301-80)

5 (Section scheduled to be repealed on January 1, 2028)

6 Sec. 80. Violations of Act.

7 (a) If any person violates the provisions of this Act, the  
8 Secretary may, in the name of the People of the State of  
9 Illinois through the Attorney General of the State of Illinois  
10 or the State's Attorney of any county in which the action is  
11 brought, petition for an order enjoining the violation or for  
12 an order enforcing compliance with this Act. Upon the filing  
13 of a verified petition in the court, the court may issue a  
14 temporary restraining order, without notice or bond, and may  
15 preliminarily and permanently enjoin the violation. If it is  
16 established that the person has violated or is violating the  
17 injunction, the Court may punish the offender for contempt of  
18 court. Proceedings under this Section shall be in addition to,  
19 and not in lieu of, all other remedies and penalties provided  
20 by this Act.

21 (b) Whoever knowingly conducts business as a wholesale  
22 drug distributor, virtual wholesale distributor, or  
23 third-party logistics provider in this State without being  
24 appropriately licensed under this Act shall be guilty of a  
25 Class A misdemeanor for a first violation and for each

1 subsequent conviction shall be guilty of a Class 4 felony.

2 (c) Whenever in the opinion of the Department any person  
3 not licensed in good standing under this Act violates any  
4 provision of this Act, the Department may issue a rule to show  
5 cause why an order to cease and desist should not be entered  
6 against him. The rule shall clearly set forth the grounds  
7 relied upon by the Department and shall provide a period of 7  
8 days from the date of the rule to file an answer to the  
9 satisfaction of the Department. Failure to answer to the  
10 satisfaction of the Department shall cause an order to cease  
11 and desist to be issued immediately.

12 (Source: P.A. 101-420, eff. 8-16-19; 102-879, eff. 1-1-23.)

13 (225 ILCS 120/155) (from Ch. 111, par. 8301-155)

14 (Section scheduled to be repealed on January 1, 2028)

15 Sec. 155. Temporary suspension of license; hearing. The  
16 Secretary may temporarily suspend licensure as a wholesale  
17 drug distributor, virtual wholesale distributor, or  
18 third-party logistics provider, without a hearing,  
19 simultaneously with the institution of proceedings for a  
20 hearing provided for in Section 85 of this Act, if the  
21 Secretary finds that evidence in his or her possession  
22 indicates that a continuation in business would constitute an  
23 imminent danger to the public. In the event that the Secretary  
24 temporarily suspends a license or certificate without a  
25 hearing, a hearing by the Department must be held within 10

1 days after the suspension has occurred and be concluded  
2 without appreciable delay.

3 (Source: P.A. 101-420, eff. 8-16-19; 102-879, eff. 1-1-23.)

4 (225 ILCS 120/185) (from Ch. 111, par. 8301-185)

5 (Section scheduled to be repealed on January 1, 2028)

6 Sec. 185. Home rule preemption. The regulation and  
7 licensing of wholesale drug distributors, virtual wholesale  
8 distributors, and third-party logistics providers are  
9 exclusive powers and functions of the State. A home rule unit  
10 may not regulate or license wholesale drug distributors,  
11 virtual wholesale distributors, and third-party logistics  
12 providers. This Section is a denial and limitation of home  
13 rule powers and functions under subsection (h) of Section 6 of  
14 Article VII of the Illinois Constitution.

15 (Source: P.A. 87-594.)

16 (225 ILCS 120/200)

17 (Section scheduled to be repealed on January 1, 2028)

18 Sec. 200. Drugs in shortage.

19 (a) For the purpose of this Section, "drug in shortage"  
20 means a drug, as defined in Section 356c of the Federal Food,  
21 Drug, and Cosmetic Act, listed on the drug shortage list  
22 maintained by the U.S. Food and Drug Administration in  
23 accordance with Section 356e of the Federal Food, Drug, and  
24 Cosmetic Act.

1 (b) Any person engaged in the wholesale distribution of a  
2 drug in shortage in this State must be licensed by the  
3 Department.

4 (c) It is unlawful for any person, other than a  
5 manufacturer, a manufacturer's exclusive distributor, a  
6 virtual wholesale distributor, a third-party logistics  
7 provider, or an authorized distributor of record, to purchase  
8 or receive a drug in shortage from any person not licensed by  
9 the Department. This subsection (c) does not apply to the  
10 return of drugs or the purchase or receipt of drugs pursuant to  
11 any of the distributions that are specifically excluded from  
12 the definition of "wholesale distribution" in Section 15 of  
13 the Wholesale Drug Distribution Licensing Act.

14 (d) A person found to have violated a provision of this  
15 Section shall be subject to administrative fines, orders for  
16 restitution, and orders for disgorgement.

17 (e) The Department shall create a centralized, searchable  
18 database of those entities licensed to engage in wholesale  
19 distribution, including manufacturers, wholesale  
20 distributors, virtual wholesale distributors, and pharmacy  
21 distributors, to enable purchasers of a drug in shortage to  
22 easily verify the licensing status of an entity offering such  
23 drugs.

24 (f) The Department shall establish a system for reporting  
25 the reasonable suspicion that a violation of this Act has been  
26 committed by a distributor of a drug in shortage. Reports made

1 through this system shall be referred to the Office of the  
2 Attorney General and the appropriate State's Attorney's office  
3 for further investigation and prosecution.

4 (g) The Department shall adopt rules to carry out the  
5 provisions of this Section.

6 (h) Nothing in this Section prohibits one hospital  
7 pharmacy from purchasing or receiving a drug in shortage from  
8 another hospital pharmacy in the event of a medical emergency.

9 (Source: P.A. 102-879, eff. 1-1-23.)

10 Section 99. Effective date. This Act takes effect upon  
11 becoming law.