



## 102ND GENERAL ASSEMBLY

### State of Illinois

### 2021 and 2022

#### HB4097

Introduced 6/15/2021, by Rep. La Shawn K. Ford

#### SYNOPSIS AS INTRODUCED:

410 ILCS 705/1-10  
410 ILCS 705/30-5  
410 ILCS 705/30-30  
410 ILCS 705/35-31  
410 ILCS 705/40-25  
410 ILCS 705/55-20  
410 ILCS 705/60-10

Amends the Cannabis Regulation and Tax Act. Removes language providing that any person or entity awarded a craft grower license under specified provisions shall only hold one craft grower license. Requires the Department of Agriculture to issue an additional 30 craft grower licenses on or before December 21, 2021 and an additional 30 craft grower licenses on or before March 15, 2022 under specified conditions. Removes language providing that a craft grower shall not be located within 1,500 feet of another craft grower. Requires each adult use cultivation center or Early Approval Adult Use Cultivation Center License holder that produces THC oil extract to set aside a portion of its total monthly production of THC oil extract to sell to infuser organizations to provide infuser organizations with an adequate supply for their infusion processes. Provides that a transporting organization may transport cannabis or cannabis-infused products to a transporting organization depot or other transporting organization transfer facility. Provides that no cannabis business establishment nor any other person or entity shall engage in advertising that contains any statement or illustration that includes a description of or reference to a cannabis product as "craft", unless that product or the raw material used to create that product is produced by a craft grower. Provides that the tax imposed under the Cannabis Cultivation Privilege Tax Law shall not be assessed against or collected from any craft grower awarded a craft grower license under the Act until 2 years after the date that the license is awarded to the craft grower. Makes other changes.

LRB102 18741 CPF 27299 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 1-10, 30-5, 30-30, 35-31, 40-25, 55-20,  
6 and 60-10 as follows:

7 (410 ILCS 705/1-10)

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

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

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

18 "Advertise" means to engage in promotional activities  
19 including, but not limited to: newspaper, radio, Internet and  
20 electronic media, and television advertising; the distribution  
21 of fliers and circulars; billboard advertising; and the  
22 display of window and interior signs. "Advertise" does not  
23 mean exterior signage displaying only the name of the licensed

1 cannabis business establishment.

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

12 "Cannabis" means marijuana, hashish, and other substances  
13 that are identified as including any parts of the plant  
14 Cannabis sativa and including derivatives or subspecies, such  
15 as indica, of all strains of cannabis, whether growing or not;  
16 the seeds thereof, the resin extracted from any part of the  
17 plant; and any compound, manufacture, salt, derivative,  
18 mixture, or preparation of the plant, its seeds, or resin,  
19 including tetrahydrocannabinol (THC) and all other naturally  
20 produced cannabinol derivatives, whether produced directly or  
21 indirectly by extraction; however, "cannabis" does not include  
22 the mature stalks of the plant, fiber produced from the  
23 stalks, oil or cake made from the seeds of the plant, any other  
24 compound, manufacture, salt, derivative, mixture, or  
25 preparation of the mature stalks (except the resin extracted  
26 from it), fiber, oil or cake, or the sterilized seed of the

1 plant that is incapable of germination. "Cannabis" does not  
2 include industrial hemp as defined and authorized under the  
3 Industrial Hemp Act. "Cannabis" also means cannabis flower,  
4 concentrate, and cannabis-infused products.

5 "Cannabis business establishment" means a cultivation  
6 center, craft grower, processing organization, infuser  
7 organization, dispensing organization, or transporting  
8 organization.

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

18 "Cannabis container" means a sealed, traceable, container,  
19 or package used for the purpose of containment of cannabis or  
20 cannabis-infused product during transportation.

21 "Cannabis flower" means marijuana, hashish, and other  
22 substances that are identified as including any parts of the  
23 plant Cannabis sativa and including derivatives or subspecies,  
24 such as indica, of all strains of cannabis; including raw  
25 kief, leaves, and buds, but not resin that has been extracted  
26 from any part of such plant; nor any compound, manufacture,

1 salt, derivative, mixture, or preparation of such plant, its  
2 seeds, or resin.

3 "Cannabis-infused product" means a beverage, food, oil,  
4 ointment, tincture, topical formulation, or another product  
5 containing cannabis or cannabis concentrate that is not  
6 intended to be smoked.

7 "Cannabis paraphernalia" means equipment, products, or  
8 materials intended to be used for planting, propagating,  
9 cultivating, growing, harvesting, manufacturing, producing,  
10 processing, preparing, testing, analyzing, packaging,  
11 repackaging, storing, containing, concealing, ingesting, or  
12 otherwise introducing cannabis into the human body.

13 "Cannabis plant monitoring system" or "plant monitoring  
14 system" means a system that includes, but is not limited to,  
15 testing and data collection established and maintained by the  
16 cultivation center, craft grower, or processing organization  
17 and that is available to the Department of Revenue, the  
18 Department of Agriculture, the Department of Financial and  
19 Professional Regulation, and the Department of State Police  
20 for the purposes of documenting each cannabis plant and  
21 monitoring plant development throughout the life cycle of a  
22 cannabis plant cultivated for the intended use by a customer  
23 from seed planting to final packaging.

24 "Cannabis testing facility" means an entity registered by  
25 the Department of Agriculture to test cannabis for potency and  
26 contaminants.

1 "Clone" means a plant section from a female cannabis plant  
2 not yet rootbound, growing in a water solution or other  
3 propagation matrix, that is capable of developing into a new  
4 plant.

5 "Community College Cannabis Vocational Training Pilot  
6 Program faculty participant" means a person who is 21 years of  
7 age or older, licensed by the Department of Agriculture, and  
8 is employed or contracted by an Illinois community college to  
9 provide student instruction using cannabis plants at an  
10 Illinois Community College.

11 "Community College Cannabis Vocational Training Pilot  
12 Program faculty participant Agent Identification Card" means a  
13 document issued by the Department of Agriculture that  
14 identifies a person as Community College Cannabis Vocational  
15 Training Pilot Program faculty participant.

16 "Conditional Adult Use Dispensing Organization License"  
17 means a license awarded to top-scoring applicants for an Adult  
18 Use Dispensing Organization License that reserves the right to  
19 an Adult Use Dispensing Organization License if the applicant  
20 meets certain conditions described in this Act, but does not  
21 entitle the recipient to begin purchasing or selling cannabis  
22 or cannabis-infused products.

23 "Conditional Adult Use Cultivation Center License" means a  
24 license awarded to top-scoring applicants for an Adult Use  
25 Cultivation Center License that reserves the right to an Adult  
26 Use Cultivation Center License if the applicant meets certain

1 conditions as determined by the Department of Agriculture by  
2 rule, but does not entitle the recipient to begin growing,  
3 processing, or selling cannabis or cannabis-infused products.

4 "Craft grower" means a facility operated by an  
5 organization or business that is licensed by the Department of  
6 Agriculture to cultivate, dry, cure, and package cannabis and  
7 perform other necessary activities to make cannabis available  
8 for sale at a dispensing organization or use at a processing  
9 organization. A craft grower may contain up to 14,000 ~~5,000~~  
10 square feet of canopy space on its premises for plants in the  
11 flowering state. ~~The Department of Agriculture may authorize~~  
12 ~~an increase or decrease of flowering stage cultivation space~~  
13 ~~in increments of 3,000 square feet by rule based on market~~  
14 ~~need, craft grower capacity, and the licensee's history of~~  
15 ~~compliance or noncompliance,~~ with a maximum space of 14,000  
16 square feet for cultivating plants in the flowering stage,  
17 which must be cultivated in all stages of growth in an enclosed  
18 and secure area. A craft grower may share premises with a  
19 processing organization or a dispensing organization, or both,  
20 provided each licensee stores currency and cannabis or  
21 cannabis-infused products in a separate secured vault to which  
22 the other licensee does not have access or all licensees  
23 sharing a vault share more than 50% of the same ownership.

24 "Craft grower agent" means a principal officer, board  
25 member, employee, or other agent of a craft grower who is 21  
26 years of age or older.

1 "Craft Grower Agent Identification Card" means a document  
2 issued by the Department of Agriculture that identifies a  
3 person as a craft grower agent.

4 "Cultivation center" means a facility operated by an  
5 organization or business that is licensed by the Department of  
6 Agriculture to cultivate, process, transport (unless otherwise  
7 limited by this Act), and perform other necessary activities  
8 to provide cannabis and cannabis-infused products to cannabis  
9 business establishments.

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

13 "Cultivation Center Agent Identification Card" means a  
14 document issued by the Department of Agriculture that  
15 identifies a person as a cultivation center agent.

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

17 "Dispensary" means a facility operated by a dispensing  
18 organization at which activities licensed by this Act may  
19 occur.

20 "Dispensing organization" means a facility operated by an  
21 organization or business that is licensed by the Department of  
22 Financial and Professional Regulation to acquire cannabis from  
23 a cultivation center, craft grower, processing organization,  
24 or another dispensary for the purpose of selling or dispensing  
25 cannabis, cannabis-infused products, cannabis seeds,  
26 paraphernalia, or related supplies under this Act to



1 purchasers or to qualified registered medical cannabis  
2 patients and caregivers. As used in this Act, "dispensing  
3 organization" includes a registered medical cannabis  
4 organization as defined in the Compassionate Use of Medical  
5 Cannabis Program Act or its successor Act that has obtained an  
6 Early Approval Adult Use Dispensing Organization License.

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

10 "Dispensing organization agent identification card" means  
11 a document issued by the Department of Financial and  
12 Professional Regulation that identifies a person as a  
13 dispensing organization agent.

14 "Disproportionately Impacted Area" means a census tract or  
15 comparable geographic area that satisfies the following  
16 criteria as determined by the Department of Commerce and  
17 Economic Opportunity, that:

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

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

21 (B) 75% or more of the children in the area  
22 participate in the federal free lunch program  
23 according to reported statistics from the State Board  
24 of Education; or

25 (C) at least 20% of the households in the area  
26 receive assistance under the Supplemental Nutrition

1 Assistance Program; or

2 (D) the area has an average unemployment rate, as  
3 determined by the Illinois Department of Employment  
4 Security, that is more than 120% of the national  
5 unemployment average, as determined by the United  
6 States Department of Labor, for a period of at least 2  
7 consecutive calendar years preceding the date of the  
8 application; and

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

12 "Early Approval Adult Use Cultivation Center License"  
13 means a license that permits a medical cannabis cultivation  
14 center licensed under the Compassionate Use of Medical  
15 Cannabis Program Act as of the effective date of this Act to  
16 begin cultivating, infusing, packaging, transporting (unless  
17 otherwise provided in this Act), processing and selling  
18 cannabis or cannabis-infused product to cannabis business  
19 establishments for resale to purchasers as permitted by this  
20 Act as of January 1, 2020.

21 "Early Approval Adult Use Dispensing Organization License"  
22 means a license that permits a medical cannabis dispensing  
23 organization licensed under the Compassionate Use of Medical  
24 Cannabis Program Act as of the effective date of this Act to  
25 begin selling cannabis or cannabis-infused product to  
26 purchasers as permitted by this Act as of January 1, 2020.

1 "Early Approval Adult Use Dispensing Organization at a  
2 secondary site" means a license that permits a medical  
3 cannabis dispensing organization licensed under the  
4 Compassionate Use of Medical Cannabis Program Act as of the  
5 effective date of this Act to begin selling cannabis or  
6 cannabis-infused product to purchasers as permitted by this  
7 Act on January 1, 2020 at a different dispensary location from  
8 its existing registered medical dispensary location.

9 "Enclosed, locked facility" means a room, greenhouse,  
10 building, or other enclosed area equipped with locks or other  
11 security devices that permit access only by cannabis business  
12 establishment agents working for the licensed cannabis  
13 business establishment or acting pursuant to this Act to  
14 cultivate, process, store, or distribute cannabis.

15 "Enclosed, locked space" means a closet, room, greenhouse,  
16 building or other enclosed area equipped with locks or other  
17 security devices that permit access only by authorized  
18 individuals under this Act. "Enclosed, locked space" may  
19 include:

- 20 (1) a space within a residential building that (i) is  
21 the primary residence of the individual cultivating 5 or  
22 fewer cannabis plants that are more than 5 inches tall and  
23 (ii) includes sleeping quarters and indoor plumbing. The  
24 space must only be accessible by a key or code that is  
25 different from any key or code that can be used to access  
26 the residential building from the exterior; or

1           (2) a structure, such as a shed or greenhouse, that  
2           lies on the same plot of land as a residential building  
3           that (i) includes sleeping quarters and indoor plumbing  
4           and (ii) is used as a primary residence by the person  
5           cultivating 5 or fewer cannabis plants that are more than  
6           5 inches tall, such as a shed or greenhouse. The structure  
7           must remain locked when it is unoccupied by people.

8           "Financial institution" has the same meaning as "financial  
9           organization" as defined in Section 1501 of the Illinois  
10          Income Tax Act, and also includes the holding companies,  
11          subsidiaries, and affiliates of such financial organizations.

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

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

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

22          "Individual" means a natural person.

23          "Infuser organization" or "infuser" means a facility  
24          operated by an organization or business that is licensed by  
25          the Department of Agriculture to directly incorporate cannabis  
26          or cannabis concentrate into a product formulation to produce

1 a cannabis-infused product.

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

6 "Labor peace agreement" means an agreement between a  
7 cannabis business establishment and any labor organization  
8 recognized under the National Labor Relations Act, referred to  
9 in this Act as a bona fide labor organization, that prohibits  
10 labor organizations and members from engaging in picketing,  
11 work stoppages, boycotts, and any other economic interference  
12 with the cannabis business establishment. This agreement means  
13 that the cannabis business establishment has agreed not to  
14 disrupt efforts by the bona fide labor organization to  
15 communicate with, and attempt to organize and represent, the  
16 cannabis business establishment's employees. The agreement  
17 shall provide a bona fide labor organization access at  
18 reasonable times to areas in which the cannabis business  
19 establishment's employees work, for the purpose of meeting  
20 with employees to discuss their right to representation,  
21 employment rights under State law, and terms and conditions of  
22 employment. This type of agreement shall not mandate a  
23 particular method of election or certification of the bona  
24 fide labor organization.

25 "Limited access area" means a room or other area under the  
26 control of a cannabis dispensing organization licensed under

1 this Act and upon the licensed premises where cannabis sales  
2 occur with access limited to purchasers, dispensing  
3 organization owners and other dispensing organization agents,  
4 or service professionals conducting business with the  
5 dispensing organization, or, if sales to registered qualifying  
6 patients, caregivers, provisional patients, and Opioid  
7 Alternative Pilot Program participants licensed pursuant to  
8 the Compassionate Use of Medical Cannabis Program Act are also  
9 permitted at the dispensary, registered qualifying patients,  
10 caregivers, provisional patients, and Opioid Alternative Pilot  
11 Program participants.

12 "Member of an impacted family" means an individual who has  
13 a parent, legal guardian, child, spouse, or dependent, or was  
14 a dependent of an individual who, prior to the effective date  
15 of this Act, was arrested for, convicted of, or adjudicated  
16 delinquent for any offense that is eligible for expungement  
17 under this Act.

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

22 "Ordinary public view" means within the sight line with  
23 normal visual range of a person, unassisted by visual aids,  
24 from a public street or sidewalk adjacent to real property, or  
25 from within an adjacent property.

26 "Ownership and control" means ownership of at least 51% of

1 the business, including corporate stock if a corporation, and  
2 control over the management and day-to-day operations of the  
3 business and an interest in the capital, assets, and profits  
4 and losses of the business proportionate to percentage of  
5 ownership.

6 "Person" means a natural individual, firm, partnership,  
7 association, joint stock company, joint venture, public or  
8 private corporation, limited liability company, or a receiver,  
9 executor, trustee, guardian, or other representative appointed  
10 by order of any court.

11 "Possession limit" means the amount of cannabis under  
12 Section 10-10 that may be possessed at any one time by a person  
13 21 years of age or older or who is a registered qualifying  
14 medical cannabis patient or caregiver under the Compassionate  
15 Use of Medical Cannabis Program Act.

16 "Principal officer" includes a cannabis business  
17 establishment applicant or licensed cannabis business  
18 establishment's board member, owner with more than 1% interest  
19 of the total cannabis business establishment or more than 5%  
20 interest of the total cannabis business establishment of a  
21 publicly traded company, president, vice president, secretary,  
22 treasurer, partner, officer, member, manager member, or person  
23 with a profit sharing, financial interest, or revenue sharing  
24 arrangement. The definition includes a person with authority  
25 to control the cannabis business establishment, a person who  
26 assumes responsibility for the debts of the cannabis business

1 establishment and who is further defined in this Act.

2 "Primary residence" means a dwelling where a person  
3 usually stays or stays more often than other locations. It may  
4 be determined by, without limitation, presence, tax filings;  
5 address on an Illinois driver's license, an Illinois  
6 Identification Card, or an Illinois Person with a Disability  
7 Identification Card; or voter registration. No person may have  
8 more than one primary residence.

9 "Processing organization" or "processor" means a facility  
10 operated by an organization or business that is licensed by  
11 the Department of Agriculture to either extract constituent  
12 chemicals or compounds to produce cannabis concentrate or  
13 incorporate cannabis or cannabis concentrate into a product  
14 formulation to produce a cannabis product.

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

17 "Processing organization agent identification card" means  
18 a document issued by the Department of Agriculture that  
19 identifies a person as a processing organization agent.

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

24 "Qualified Social Equity Applicant" means a Social Equity  
25 Applicant who has been awarded a conditional license under  
26 this Act to operate a cannabis business establishment.



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

4 (1) a signed lease agreement that includes the  
5 applicant's name;

6 (2) a property deed that includes the applicant's  
7 name;

8 (3) school records;

9 (4) a voter registration card;

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

13 (6) a paycheck stub;

14 (7) a utility bill;

15 (8) tax records; or

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

18 "Smoking" means the inhalation of smoke caused by the  
19 combustion of cannabis.

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

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

26 (2) an applicant with at least 51% ownership and

1 control by one or more individuals who:

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

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

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

9 (i) currently reside in a Disproportionately  
10 Impacted Area; or

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

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

20 "Social Equity Justice Involved Applicant" means an  
21 applicant that is an Illinois resident that meets the  
22 following criteria:

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

1           (2) either:

2                   (A) an applicant with at least 51% of ownership  
3                   and control by one or more individuals who have been  
4                   arrested for, convicted of, or adjudicated delinquent  
5                   for any offense that is eligible for expungement under  
6                   subsection (i) of Section 5.2 of the Criminal  
7                   Identification Act; or

8                   (B) an applicant with at least 51% ownership and  
9                   control by one or more members of an impacted family.

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

17            "Transporting organization" or "transporter" means an  
18            organization or business that is licensed by the Department of  
19            Agriculture to transport cannabis or cannabis-infused product  
20            on behalf of a cannabis business establishment or a community  
21            college licensed under the Community College Cannabis  
22            Vocational Training Pilot Program.

23            "Transporting organization agent" means a principal  
24            officer, board member, employee, or agent of a transporting  
25            organization.

26            "Transporting organization agent identification card"

1 means a document issued by the Department of Agriculture that  
2 identifies a person as a transporting organization agent.

3 "Unit of local government" means any county, city,  
4 village, or incorporated town.

5 "Vegetative stage" means the stage of cultivation in which  
6 a cannabis plant is propagated to produce additional cannabis  
7 plants or reach a sufficient size for production. This  
8 includes seedlings, clones, mothers, and other immature  
9 cannabis plants as follows:

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

15 (2) any cannabis plant that is cultivated solely for  
16 the purpose of propagating clones and is never used to  
17 produce cannabis.

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

19 (410 ILCS 705/30-5)

20 Sec. 30-5. Issuance of licenses.

21 (a) The Department of Agriculture shall issue up to 40  
22 craft grower licenses by July 1, 2020. Any person or entity  
23 awarded a license pursuant to this subsection ~~shall only hold~~  
24 ~~one craft grower license and~~ may not sell that license until  
25 after December 21, 2021.

1       (a-5) The Department of Agriculture shall issue an  
2 additional 30 craft grower licenses on or before December 21,  
3 2021, cost free, to applicants who submitted craft grower  
4 license applications on or before April 30, 2020 but were not  
5 awarded a license under subsection (a) and who received at  
6 least 85% of the total points available on their applications.  
7 Any person or entity awarded a license under this subsection  
8 may sell that license at any time after it is awarded.

9       (a-10) The Department of Agriculture shall issue an  
10 additional 30 craft grower licenses on or before March 15,  
11 2022, cost free, to applicants who submitted craft grower  
12 license applications on or before April 30, 2020 but were not  
13 awarded a license under subsection (a) or subsection (a-5),  
14 received at least 85% of the total points available on their  
15 applications, and qualify as Social Equity Justice Involved  
16 Applicants. Any applicant awarded a license under this  
17 subsection may sell that license at any time after it is  
18 awarded.

19       ~~(b) By December 21, 2021, the Department of Agriculture~~  
20 ~~shall issue up to 60 additional craft grower licenses. Any~~  
21 ~~person or entity awarded a license pursuant to this Section~~  
22 ~~subsection shall not hold more than 2 craft grower licenses.~~  
23 ~~The person or entity awarded a license pursuant to this~~  
24 ~~subsection or subsection (a) of this Section may sell its~~  
25 ~~craft grower license subject to the restrictions of this Act~~  
26 ~~or as determined by administrative rule. Prior to issuing such~~

1 licenses, the Department may adopt rules through emergency  
2 rulemaking in accordance with subsection (gg) of Section 5-45  
3 of the Illinois Administrative Procedure Act, to modify or  
4 raise the number of craft grower licenses and modify or change  
5 the licensing application process to reduce or eliminate  
6 barriers. The General Assembly finds that the adoption of  
7 rules to regulate cannabis use is deemed an emergency and  
8 necessary for the public interest, safety, and welfare. In  
9 determining whether to exercise the authority granted by this  
10 subsection, the Department of Agriculture must consider the  
11 following factors:

12 (1) the percentage of cannabis sales occurring in  
13 Illinois not in the regulated market using data from the  
14 Substance Abuse and Mental Health Services Administration,  
15 National Survey on Drug Use and Health, Illinois  
16 Behavioral Risk Factor Surveillance System, and tourism  
17 data from the Illinois Office of Tourism to ascertain  
18 total cannabis consumption in Illinois compared to the  
19 amount of sales in licensed dispensing organizations;

20 (2) whether there is an adequate supply of cannabis  
21 and cannabis-infused products to serve registered medical  
22 cannabis patients;

23 (3) whether there is an adequate supply of cannabis  
24 and cannabis-infused products to serve purchasers;

25 (4) whether there is an oversupply of cannabis in  
26 Illinois leading to trafficking of cannabis to states

1 where the sale of cannabis is not permitted by law;

2 (5) population increases or shifts;

3 (6) the density of craft growers in any area of the  
4 State;

5 (7) perceived security risks of increasing the number  
6 or location of craft growers;

7 (8) the past safety record of craft growers;

8 (9) the Department of Agriculture's capacity to  
9 appropriately regulate additional licensees;

10 (10) the findings and recommendations from the  
11 disparity and availability study commissioned by the  
12 Illinois Cannabis Regulation Oversight Officer to reduce  
13 or eliminate any identified barriers to entry in the  
14 cannabis industry; and

15 (11) any other criteria the Department of Agriculture  
16 deems relevant.

17 (c) After January 1 2023, ~~2022~~, the Department of  
18 Agriculture may by rule modify or raise the number of craft  
19 grower licenses and modify or change the licensing application  
20 process to reduce or eliminate barriers based on the criteria  
21 in subsection (b). At no time may the number of craft grower  
22 licenses exceed 150. Any person or entity awarded a license  
23 pursuant to this subsection shall not hold more than 5 ~~3~~ craft  
24 grower licenses. A person or entity awarded a license pursuant  
25 to this subsection or subsections ~~subsection~~ (a), (a-5), or  
26 (a-10) ~~or subsection (b)~~ of this Section may sell its craft

1 grower license or licenses subject to the restrictions of this  
2 Act or as determined by administrative rule.

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

4 (410 ILCS 705/30-30)

5 Sec. 30-30. Craft grower requirements; prohibitions.

6 (a) The operating documents of a craft grower shall  
7 include procedures for the oversight of the craft grower, a  
8 cannabis plant monitoring system including a physical  
9 inventory recorded weekly, accurate recordkeeping, and a  
10 staffing plan.

11 (b) A craft grower shall implement a security plan  
12 reviewed by the Department of State Police that includes, but  
13 is not limited to: facility access controls, perimeter  
14 intrusion detection systems, personnel identification systems,  
15 and a 24-hour surveillance system to monitor the interior and  
16 exterior of the craft grower facility and that is accessible  
17 to authorized law enforcement and the Department of  
18 Agriculture in real time.

19 (c) All cultivation of cannabis by a craft grower must  
20 take place in an enclosed, locked facility at the physical  
21 address provided to the Department of Agriculture during the  
22 licensing process. The craft grower location shall only be  
23 accessed by the agents working for the craft grower, the  
24 Department of Agriculture staff performing inspections, the  
25 Department of Public Health staff performing inspections,



1 State and local law enforcement or other emergency personnel,  
2 contractors working on jobs unrelated to cannabis, such as  
3 installing or maintaining security devices or performing  
4 electrical wiring, transporting organization agents as  
5 provided in this Act, or participants in the incubator  
6 program, individuals in a mentoring or educational program  
7 approved by the State, or other individuals as provided by  
8 rule. However, if a craft grower shares a premises with an  
9 infuser or dispensing organization, agents from those other  
10 licensees may access the craft grower portion of the premises  
11 if that is the location of common bathrooms, lunchrooms,  
12 locker rooms, or other areas of the building where work or  
13 cultivation of cannabis is not performed. At no time may an  
14 infuser or dispensing organization agent perform work at a  
15 craft grower without being a registered agent of the craft  
16 grower.

17 (d) A craft grower may not sell or distribute any cannabis  
18 to any person other than a cultivation center, a craft grower,  
19 an infuser organization, a dispensing organization, or as  
20 otherwise authorized by rule.

21 (e) A craft grower may not be located in an area zoned for  
22 residential use.

23 (f) A craft grower may not either directly or indirectly  
24 discriminate in price between different cannabis business  
25 establishments that are purchasing a like grade, strain,  
26 brand, and quality of cannabis or cannabis-infused product.

1 Nothing in this subsection (f) prevents a craft grower from  
2 pricing cannabis differently based on differences in the cost  
3 of manufacturing or processing, the quantities sold, such as  
4 volume discounts, or the way the products are delivered.

5 (g) All cannabis harvested by a craft grower and intended  
6 for distribution to a dispensing organization must be entered  
7 into a data collection system, packaged and labeled under  
8 Section 55-21, and, if distribution is to a dispensing  
9 organization that does not share a premises with the  
10 dispensing organization receiving the cannabis, placed into a  
11 cannabis container for transport. All cannabis harvested by a  
12 craft grower and intended for distribution to a cultivation  
13 center, to an infuser organization, or to a craft grower with  
14 which it does not share a premises, must be packaged in a  
15 labeled cannabis container and entered into a data collection  
16 system before transport.

17 (h) Craft growers are subject to random inspections by the  
18 Department of Agriculture, local safety or health inspectors,  
19 and the Department of State Police.

20 (i) A craft grower agent shall notify local law  
21 enforcement, the Department of State Police, and the  
22 Department of Agriculture within 24 hours of the discovery of  
23 any loss or theft. Notification shall be made by phone, in  
24 person, or written or electronic communication.

25 (j) A craft grower shall comply with all State and any  
26 applicable federal rules and regulations regarding the use of

1 pesticides.

2 (k) A craft grower or craft grower agent shall not  
3 transport cannabis or cannabis-infused products to any other  
4 cannabis business establishment without a transport  
5 organization license unless:

6 (i) If the craft grower is located in a county with a  
7 population of 3,000,000 or more, the cannabis business  
8 establishment receiving the cannabis is within 2,000 feet  
9 of the property line of the craft grower;

10 (ii) If the craft grower is located in a county with a  
11 population of more than 700,000 but fewer than 3,000,000,  
12 the cannabis business establishment receiving the cannabis  
13 is within 2 miles of the craft grower; or

14 (iii) If the craft grower is located in a county with a  
15 population of fewer than 700,000, the cannabis business  
16 establishment receiving the cannabis is within 15 miles of  
17 the craft grower.

18 (l) A craft grower may enter into a contract with a  
19 transporting organization to transport cannabis to a  
20 cultivation center, a craft grower, an infuser organization, a  
21 dispensing organization, or a laboratory.

22 (m) No person or entity shall hold any legal, equitable,  
23 ownership, or beneficial interest, directly or indirectly, of  
24 more than 3 craft grower licenses. Further, no person or  
25 entity that is employed by, an agent of, or has a contract to  
26 receive payment from or participate in the management of a

1 craft grower, is a principal officer of a craft grower, or  
2 entity controlled by or affiliated with a principal officer of  
3 a craft grower shall hold any legal, equitable, ownership, or  
4 beneficial interest, directly or indirectly, in a craft grower  
5 license that would result in the person or entity owning or  
6 controlling in combination with any craft grower, principal  
7 officer of a craft grower, or entity controlled or affiliated  
8 with a principal officer of a craft grower by which he, she, or  
9 it is employed, is an agent of, or participates in the  
10 management of more than 3 craft grower licenses.

11 (n) It is unlawful for any person having a craft grower  
12 license or any officer, associate, member, representative, or  
13 agent of the licensee to offer or deliver money, or anything  
14 else of value, directly or indirectly, to any person having an  
15 Early Approval Adult Use Dispensing Organization License, a  
16 Conditional Adult Use Dispensing Organization License, an  
17 Adult Use Dispensing Organization License, or a medical  
18 cannabis dispensing organization license issued under the  
19 Compassionate Use of Medical Cannabis Program Act, or to any  
20 person connected with or in any way representing, or to any  
21 member of the family of, the person holding an Early Approval  
22 Adult Use Dispensing Organization License, a Conditional Adult  
23 Use Dispensing Organization License, an Adult Use Dispensing  
24 Organization License, or a medical cannabis dispensing  
25 organization license issued under the Compassionate Use of  
26 Medical Cannabis Program Act, or to any stockholders in any

1 corporation engaged in the retail sale of cannabis, or to any  
2 officer, manager, agent, or representative of the Early  
3 Approval Adult Use Dispensing Organization License, a  
4 Conditional Adult Use Dispensing Organization License, an  
5 Adult Use Dispensing Organization License, or a medical  
6 cannabis dispensing organization license issued under the  
7 Compassionate Use of Medical Cannabis Program Act to obtain  
8 preferential placement within the dispensing organization,  
9 including, without limitation, on shelves and in display cases  
10 where purchasers can view products, or on the dispensing  
11 organization's website.

12 (o) A craft grower shall not be located within 1,500 feet  
13 of ~~another craft grower or~~ a cultivation center.

14 (p) A craft grower may process cannabis, cannabis  
15 concentrates, and cannabis-infused products.

16 (q) A craft grower must comply with any other requirements  
17 or prohibitions set by administrative rule of the Department  
18 of Agriculture.

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

20 (410 ILCS 705/35-31)

21 Sec. 35-31. Ensuring an adequate supply of raw materials  
22 to serve infusers.

23 (a) As used in this Section, "raw materials" includes, but  
24 is not limited to, CO<sub>2</sub> hash oil, "crude", "distillate", or any  
25 other cannabis concentrate extracted from cannabis flower by

1 use of a solvent or a mechanical process.

2 (b) The Department of Agriculture may by rule design a  
3 method for assessing whether licensed infusers have access to  
4 an adequate supply of reasonably affordable raw materials,  
5 which may include but not be limited to: (i) a survey of  
6 infusers; (ii) a market study on the sales trends of  
7 cannabis-infused products manufactured by infusers; and (iii)  
8 the costs cultivation centers and craft growers assume for the  
9 raw materials they use in any cannabis-infused products they  
10 manufacture.

11 (b-5) Each adult use cultivation center or Early Approval  
12 Adult Use Cultivation Center License holder licensed under  
13 Article 20 that produces THC oil extract shall set aside a  
14 portion of its total monthly production of THC oil extract to  
15 sell to infuser organizations at market price, quality, and  
16 variety to provide infuser organizations with an adequate  
17 supply for their infusion processes. The portion set aside by  
18 each cultivation center or Early Approval Adult Use  
19 Cultivation Center License holder shall be on a proportionate,  
20 pro rata basis and based upon its total monthly production  
21 compared to the industry total monthly production in the  
22 previous year as determined by the Department of Agriculture.  
23 The total monthly portion of THC oil extract set aside by all  
24 cultivation centers and Early Approval Adult Use Cultivation  
25 Center License holders shall be as follows:

26 (1) During calendar year 2022, 50,000 grams per month.

1           (2) During calendar year 2023, 60,000 grams per month.

2           (3) During calendar year 2024, 70,000 grams per month.

3           (4) During calendar year 2025, 80,000 grams per month.

4           (5) During calendar year 2026, 90,000 grams per month.

5           The price of THC oil extract shall be the average fair  
6 market price as determined quarterly by the Department of  
7 Agriculture or an amount equal to 900% of the U.S. Cannabis  
8 Spot Index's price for cannabis flower if, during any quarter,  
9 the Department fails to establish a fair market price based  
10 upon quality and variety. After January 1, 2023, the monthly  
11 portion of THC oil extract may be adjusted by the Department of  
12 Agriculture based upon market assessments as provided in  
13 subsections (c) and (d).

14           (c) The Department of Agriculture shall perform an  
15 assessment of whether infusers have access to an adequate  
16 supply of reasonably affordable raw materials that shall start  
17 no sooner than January 1, 2023 ~~2022~~ and shall conclude no later  
18 than April 1, 2023 ~~2022~~. The Department of Agriculture may  
19 rely on data from the Illinois Cannabis Regulation Oversight  
20 Officer as part of this assessment.

21           (d) The Department of Agriculture shall perform an  
22 assessment of whether infusers have access to an adequate  
23 supply of reasonably affordable raw materials that shall start  
24 no sooner than January 1, 2024 ~~2023~~ and shall conclude no later  
25 than April 1, 2024 ~~2023~~. The Department of Agriculture may  
26 rely on data from the Cannabis Regulation Oversight Officer as

1 part of this assessment.

2 (e) The Department of Agriculture may by rule adopt  
3 measures to ensure infusers have access to an adequate supply  
4 of reasonably affordable raw materials necessary for the  
5 manufacture of cannabis-infused products. Such measures may  
6 include, but not be limited to (i) requiring cultivation  
7 centers and craft growers to set aside a minimum amount of raw  
8 materials for the wholesale market or (ii) enabling infusers  
9 to apply for a processor license to extract raw materials from  
10 cannabis flower.

11 (f) If the Department of Agriculture determines processor  
12 licenses may be available to infuser organizations based upon  
13 findings made pursuant to subsection (e), infuser  
14 organizations may submit to the Department of Agriculture on  
15 forms provided by the Department of Agriculture the following  
16 information as part of an application to receive a processor  
17 license:

18 (1) experience with the extraction, processing, or  
19 infusing of oils similar to those derived from cannabis,  
20 or other business practices to be performed by the  
21 infuser;

22 (2) a description of the applicant's experience with  
23 manufacturing equipment and chemicals to be used in  
24 processing;

25 (3) expertise in relevant scientific fields;

26 (4) a commitment that any cannabis waste, liquid



1 waste, or hazardous waste shall be disposed of in  
2 accordance with 8 Ill. Adm. Code 1000.460, except, to the  
3 greatest extent feasible, all cannabis plant waste will be  
4 rendered unusable by grinding and incorporating the  
5 cannabis plant waste with compostable mixed waste to be  
6 disposed of in accordance with Ill. Adm. Code  
7 1000.460(g) (1); and

8 (5) any other information the Department of  
9 Agriculture deems relevant.

10 (g) The Department of Agriculture may only issue an  
11 infuser organization a processor license if, based on the  
12 information pursuant to subsection (f) and any other criteria  
13 set by the Department of Agriculture, which may include but  
14 not be limited an inspection of the site where processing  
15 would occur, the Department of Agriculture is reasonably  
16 certain the infuser organization will process cannabis in a  
17 safe and compliant manner.

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

19 (410 ILCS 705/40-25)

20 Sec. 40-25. Transporting organization requirements;  
21 prohibitions.

22 (a) The operating documents of a transporting organization  
23 shall include procedures for the oversight of the transporter,  
24 an inventory monitoring system including a physical inventory  
25 recorded weekly, accurate recordkeeping, and a staffing plan.

1 (b) A transporting organization may not transport cannabis  
2 or cannabis-infused products to any person other than a  
3 cultivation center, a craft grower, an infuser organization, a  
4 dispensing organization, a testing facility, a transporting  
5 organization depot or other transporting organization transfer  
6 facility, or as otherwise authorized by rule. A transporting  
7 organization shall be specifically allowed to use the same  
8 transport vehicle to pick up or deliver cannabis products from  
9 and to multiple craft growers, processors, and dispensaries  
10 during the transporting organization's pick up and delivery  
11 process.

12 (c) All cannabis transported by a transporting  
13 organization must be entered into a data collection system and  
14 placed into a cannabis container for transport.

15 (d) Transporters are subject to random inspections by the  
16 Department of Agriculture, the Department of Public Health,  
17 and the Department of State Police.

18 (e) A transporting organization agent shall notify local  
19 law enforcement, the Department of State Police, and the  
20 Department of Agriculture within 24 hours of the discovery of  
21 any loss or theft. Notification shall be made by phone, in  
22 person, or by written or electronic communication.

23 (f) No person under the age of 21 years shall be in a  
24 commercial vehicle or trailer transporting cannabis goods.

25 (g) No person or individual who is not a transporting  
26 organization agent shall be in a vehicle while transporting

1 cannabis goods.

2 (h) Transporters may not use commercial motor vehicles  
3 with a weight rating of over 10,001 pounds.

4 (i) It is unlawful for any person to offer or deliver  
5 money, or anything else of value, directly or indirectly, to  
6 any of the following persons to obtain preferential placement  
7 within the dispensing organization, including, without  
8 limitation, on shelves and in display cases where purchasers  
9 can view products, or on the dispensing organization's  
10 website:

11 (1) a person having a transporting organization  
12 license, or any officer, associate, member,  
13 representative, or agent of the licensee;

14 (2) a person having an Early Applicant Adult Use  
15 Dispensing Organization License, an Adult Use Dispensing  
16 Organization License, or a medical cannabis dispensing  
17 organization license issued under the Compassionate Use of  
18 Medical Cannabis Program Act;

19 (3) a person connected with or in any way  
20 representing, or a member of the family of, a person  
21 holding an Early Applicant Adult Use Dispensing  
22 Organization License, an Adult Use Dispensing Organization  
23 License, or a medical cannabis dispensing organization  
24 license issued under the Compassionate Use of Medical  
25 Cannabis Program Act; or

26 (4) a stockholder, officer, manager, agent, or

1 representative of a corporation engaged in the retail sale  
2 of cannabis, an Early Applicant Adult Use Dispensing  
3 Organization License, an Adult Use Dispensing Organization  
4 License, or a medical cannabis dispensing organization  
5 license issued under the Compassionate Use of Medical  
6 Cannabis Program Act.

7 (j) A transporting organization agent must keep his or her  
8 identification card visible at all times when on the property  
9 of a cannabis business establishment and during the  
10 transporting of cannabis when acting under his or her duties  
11 as a transportation organization agent. During these times,  
12 the transporting organization agent must also provide the  
13 identification card upon request of any law enforcement  
14 officer engaged in his or her official duties.

15 (k) A copy of the transporting organization's registration  
16 and a manifest for the delivery shall be present in any vehicle  
17 transporting cannabis.

18 (l) Cannabis shall be transported so it is not visible or  
19 recognizable from outside the vehicle.

20 (m) A vehicle transporting cannabis must not bear any  
21 markings to indicate the vehicle contains cannabis or bear the  
22 name or logo of the cannabis business establishment.

23 (n) Cannabis must be transported in an enclosed, locked  
24 storage compartment or security cage that is secured or  
25 affixed to the vehicle.

26 (o) The Department of Agriculture may, by rule, impose any

1 other requirements or prohibitions on the transportation of  
2 cannabis.

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

4 (410 ILCS 705/55-20)

5 Sec. 55-20. Advertising and promotions.

6 (a) No cannabis business establishment nor any other  
7 person or entity shall engage in advertising that contains any  
8 statement or illustration that:

9 (1) is false or misleading;

10 (2) promotes overconsumption of cannabis or cannabis  
11 products;

12 (3) depicts the actual consumption of cannabis or  
13 cannabis products;

14 (4) depicts a person under 21 years of age consuming  
15 cannabis;

16 (5) makes any health, medicinal, or therapeutic claims  
17 about cannabis or cannabis-infused products;

18 (6) includes the image of a cannabis leaf or bud; ~~or~~

19 (7) includes any image designed or likely to appeal to  
20 minors, including cartoons, toys, animals, or children, or  
21 any other likeness to images, characters, or phrases that  
22 is designed in any manner to be appealing to or encourage  
23 consumption by persons under 21 years of age; or

24 (8) includes a description of or reference to a  
25 cannabis product as "craft", unless that product or the

1 raw material used to create that product is produced by a  
2 craft grower licensed under this Act.

3 (b) No cannabis business establishment nor any other  
4 person or entity shall place or maintain, or cause to be placed  
5 or maintained, an advertisement of cannabis or a  
6 cannabis-infused product in any form or through any medium:

7 (1) within 1,000 feet of the perimeter of school  
8 grounds, a playground, a recreation center or facility, a  
9 child care center, a public park or public library, or a  
10 game arcade to which admission is not restricted to  
11 persons 21 years of age or older;

12 (2) on or in a public transit vehicle or public  
13 transit shelter;

14 (3) on or in publicly owned or publicly operated  
15 property; or

16 (4) that contains information that:

17 (A) is false or misleading;

18 (B) promotes excessive consumption;

19 (C) depicts a person under 21 years of age  
20 consuming cannabis;

21 (D) includes the image of a cannabis leaf; or

22 (E) includes any image designed or likely to  
23 appeal to minors, including cartoons, toys, animals,  
24 or children, or any other likeness to images,  
25 characters, or phrases that are popularly used to  
26 advertise to children, or any imitation of candy

1 packaging or labeling, or that promotes consumption of  
2 cannabis.

3 (c) Subsections (a) and (b) do not apply to an educational  
4 message.

5 (d) Sales promotions. No cannabis business establishment  
6 nor any other person or entity may encourage the sale of  
7 cannabis or cannabis products by giving away cannabis or  
8 cannabis products, by conducting games or competitions related  
9 to the consumption of cannabis or cannabis products, or by  
10 providing promotional materials or activities of a manner or  
11 type that would be appealing to children.

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

13 (410 ILCS 705/60-10)

14 Sec. 60-10. Tax imposed.

15 (a) Beginning September 1, 2019, a tax is imposed upon the  
16 privilege of cultivating cannabis at the rate of 7% of the  
17 gross receipts from the first sale of cannabis by a  
18 cultivator. The sale of any product that contains any amount  
19 of cannabis or any derivative thereof is subject to the tax  
20 under this Section on the full selling price of the product.  
21 The Department may determine the selling price of the cannabis  
22 when the seller and purchaser are affiliated persons, when the  
23 sale and purchase of cannabis is not an arm's length  
24 transaction, or when cannabis is transferred by a craft grower  
25 to the craft grower's dispensing organization or infuser or

1 processing organization and a value is not established for the  
2 cannabis. The value determined by the Department shall be  
3 commensurate with the actual price received for products of  
4 like quality, character, and use in the area. If there are no  
5 sales of cannabis of like quality, character, and use in the  
6 same area, then the Department shall establish a reasonable  
7 value based on sales of products of like quality, character,  
8 and use in other areas of the State, taking into consideration  
9 any other relevant factors.

10 (a-5) The tax imposed under this Article shall not be  
11 assessed against or collected from any craft grower awarded a  
12 craft grower license under this Act until 2 years after the  
13 date that the license is awarded to the craft grower.

14 (b) The Cannabis Cultivation Privilege Tax imposed under  
15 this Article is solely the responsibility of the cultivator  
16 who makes the first sale and is not the responsibility of a  
17 subsequent purchaser, a dispensing organization, or an  
18 infuser. Persons subject to the tax imposed under this Article  
19 may, however, reimburse themselves for their tax liability  
20 hereunder by separately stating reimbursement for their tax  
21 liability as an additional charge.

22 (c) The tax imposed under this Article shall be in  
23 addition to all other occupation, privilege, or excise taxes  
24 imposed by the State of Illinois or by any unit of local  
25 government.

26 (Source: P.A. 101-27, eff. 6-25-19.)