



## 102ND GENERAL ASSEMBLY

### State of Illinois

2021 and 2022

HB5394

Introduced 1/31/2022, by Rep. Jonathan Carroll

#### SYNOPSIS AS INTRODUCED:

410 ILCS 705/1-10  
410 ILCS 705/40-5  
410 ILCS 705/40-25

Amends the Cannabis Regulation and Tax Act. Removes language requiring the Department of Agriculture to make the application for transporting organization licenses available by specified dates. Provides that the Department shall not make any application for a transporting organization available on and after the amendatory Act's effective date without conducting an evaluation of the transportation and delivery needs of the industry. Provides that a transporting organization may not transport cannabis or cannabis-infused products to any person other than, among others, a purchaser who is of legal age to purchase cannabis or cannabis-infused products. Makes other changes. Effective immediately.

LRB102 25323 CPF 34597 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, 40-5, and 40-25 as follows:

6 (410 ILCS 705/1-10)

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

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

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

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

1 "Application points" means the number of points a  
2 Dispensary Applicant receives on an application for a  
3 Conditional Adult Use Dispensing Organization License.

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

14 "By lot" means a randomized method of choosing between 2  
15 or more Eligible Tied Applicants or 2 or more Qualifying  
16 Applicants.

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

1 the mature stalks of the plant, fiber produced from the  
2 stalks, oil or cake made from the seeds of the plant, any other  
3 compound, manufacture, salt, derivative, mixture, or  
4 preparation of the mature stalks (except the resin extracted  
5 from it), fiber, oil or cake, or the sterilized seed of the  
6 plant that is incapable of germination. "Cannabis" does not  
7 include industrial hemp as defined and authorized under the  
8 Industrial Hemp Act. "Cannabis" also means cannabis flower,  
9 concentrate, and cannabis-infused products.

10 "Cannabis business establishment" means a cultivation  
11 center, craft grower, processing organization, infuser  
12 organization, dispensing organization, or transporting  
13 organization.

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

23 "Cannabis container" means a sealed or resealable,  
24 traceable, container, or package used for the purpose of  
25 containment of cannabis or cannabis-infused product during  
26 transportation.

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

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

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

19 "Cannabis plant monitoring system" or "plant monitoring  
20 system" means a system that includes, but is not limited to,  
21 testing and data collection established and maintained by the  
22 cultivation center, craft grower, or processing organization  
23 and that is available to the Department of Revenue, the  
24 Department of Agriculture, the Department of Financial and  
25 Professional Regulation, and the Illinois State Police for the  
26 purposes of documenting each cannabis plant and monitoring

1 plant development throughout the life cycle of a cannabis  
2 plant cultivated for the intended use by a customer from seed  
3 planting to final packaging.

4 "Cannabis testing facility" means an entity registered by  
5 the Department of Agriculture to test cannabis for potency and  
6 contaminants.

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

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

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

22 "Conditional Adult Use Dispensing Organization License"  
23 means a contingent license awarded to applicants for an Adult  
24 Use Dispensing Organization License that reserves the right to  
25 an Adult Use Dispensing Organization License if the applicant  
26 meets certain conditions described in this Act, but does not

1 entitle the recipient to begin purchasing or selling cannabis  
2 or cannabis-infused products.

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

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

1 cannabis-infused products in a separate secured vault to which  
2 the other licensee does not have access or all licensees  
3 sharing a vault share more than 50% of the same ownership.

4 "Craft grower agent" means a principal officer, board  
5 member, employee, or other agent of a craft grower who is 21  
6 years of age or older.

7 "Craft Grower Agent Identification Card" means a document  
8 issued by the Department of Agriculture that identifies a  
9 person as a craft grower agent.

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

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

19 "Cultivation Center Agent Identification Card" means a  
20 document issued by the Department of Agriculture that  
21 identifies a person as a cultivation center agent.

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

23 "Dispensary" means a facility operated by a dispensing  
24 organization at which activities licensed by this Act may  
25 occur.

26 "Dispensary Applicant" means the Proposed Dispensing



1 Organization Name as stated on an application for a  
2 Conditional Adult Use Dispensing Organization License.

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

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

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

23 "Disproportionately Impacted Area" means a census tract or  
24 comparable geographic area that satisfies the following  
25 criteria as determined by the Department of Commerce and  
26 Economic Opportunity, that:

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

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

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

8 (C) at least 20% of the households in the area  
9 receive assistance under the Supplemental Nutrition  
10 Assistance Program; or

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

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

21 "Early Approval Adult Use Cultivation Center License"  
22 means a license that permits a medical cannabis cultivation  
23 center licensed under the Compassionate Use of Medical  
24 Cannabis Program Act as of the effective date of this Act to  
25 begin cultivating, infusing, packaging, transporting (unless  
26 otherwise provided in this Act), processing, and selling

1 cannabis or cannabis-infused product to cannabis business  
2 establishments for resale to purchasers as permitted by this  
3 Act as of January 1, 2020.

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

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

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

22 "Enclosed, locked facility" means a room, greenhouse,  
23 building, or other enclosed area equipped with locks or other  
24 security devices that permit access only by cannabis business  
25 establishment agents working for the licensed cannabis  
26 business establishment or acting pursuant to this Act to

1 cultivate, process, store, or distribute cannabis.

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

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

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

21 "Financial institution" has the same meaning as "financial  
22 organization" as defined in Section 1501 of the Illinois  
23 Income Tax Act, and also includes the holding companies,  
24 subsidiaries, and affiliates of such financial organizations.

25 "Flowering stage" means the stage of cultivation where and  
26 when a cannabis plant is cultivated to produce plant material

1 for cannabis products. This includes mature plants as follows:

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

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

9 "Individual" means a natural person.

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

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

19 "Labor peace agreement" means an agreement between a  
20 cannabis business establishment and any labor organization  
21 recognized under the National Labor Relations Act, referred to  
22 in this Act as a bona fide labor organization, that prohibits  
23 labor organizations and members from engaging in picketing,  
24 work stoppages, boycotts, and any other economic interference  
25 with the cannabis business establishment. This agreement means  
26 that the cannabis business establishment has agreed not to

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

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

25 "Member of an impacted family" means an individual who has  
26 a parent, legal guardian, child, spouse, or dependent, or was

1 a dependent of an individual who, prior to the effective date  
2 of this Act, was arrested for, convicted of, or adjudicated  
3 delinquent for any offense that is eligible for expungement  
4 under this Act.

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

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

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

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

24 "Possession limit" means the amount of cannabis under  
25 Section 10-10 that may be possessed at any one time by a person  
26 21 years of age or older or who is a registered qualifying

1 medical cannabis patient or caregiver under the Compassionate  
2 Use of Medical Cannabis Program Act.

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

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

22 "Processing organization" or "processor" means a facility  
23 operated by an organization or business that is licensed by  
24 the Department of Agriculture to either extract constituent  
25 chemicals or compounds to produce cannabis concentrate or  
26 incorporate cannabis or cannabis concentrate into a product



1 formulation to produce a cannabis product.

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

4 "Processing organization agent identification card" means  
5 a document issued by the Department of Agriculture that  
6 identifies a person as a processing organization agent.

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

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

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

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

26 "Resided" means an individual's primary residence was

1 located within the relevant geographic area as established by  
2 of the following:

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

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

7 (3) school records;

8 (4) a voter registration card;

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

12 (6) a paycheck stub;

13 (7) a utility bill;

14 (8) tax records; or

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

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

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

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

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

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

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

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

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

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

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

19 "Tied Applicant" means an application submitted by a  
20 Dispensary Applicant pursuant to Section 15-30 that received  
21 the same number of application points under Section 15-30 as  
22 the Dispensary Applicant's final score as one or more  
23 top-scoring applications in the same BLS Region and would have  
24 been awarded a license but for the one or more other  
25 top-scoring applications that received the same number of  
26 application points. Each application for which a Dispensary

1 Applicant was required to pay a required application fee for  
2 the application period ending January 2, 2020 shall be  
3 considered an application of a separate Tied Applicant.

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

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

15 "Transporting organization" or "transporter" means an  
16 organization or business that is licensed by the Department of  
17 Agriculture to transport via a cashless transaction: (i)  
18 cannabis or cannabis-infused product on behalf of a cannabis  
19 business establishment or a community college licensed under  
20 the Community College Cannabis Vocational Training Pilot  
21 Program; or (ii) to transport cannabis or a cannabis-infused  
22 product from a State-licensed dispensing organization directly  
23 to a purchaser who is of legal age to purchase the cannabis or  
24 a cannabis-infused product.

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

1 organization.

2 "Transporting organization agent identification card"  
3 means a document issued by the Department of Agriculture that  
4 identifies a person as a transporting organization agent.

5 "Unit of local government" means any county, city,  
6 village, or incorporated town.

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

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

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

20 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;  
21 102-98, eff. 7-15-21; 102-538, eff. 8-20-21; revised  
22 10-13-21.)

23 (410 ILCS 705/40-5)

24 Sec. 40-5. Issuance of licenses.

25 (a) The Department shall issue transporting licenses

1 through a process provided for in this Article no later than  
2 July 1, 2020.

3 (b) (Blank). ~~The Department shall make the application for~~  
4 ~~transporting organization licenses available on January 7,~~  
5 ~~2020 and shall receive such applications no later than March~~  
6 ~~15, 2020. The Department of Agriculture shall make available~~  
7 ~~such applications on every January 7 thereafter or if that~~  
8 ~~date falls on a weekend or holiday, the business day~~  
9 ~~immediately succeeding the weekend or holiday and shall~~  
10 ~~receive such applications no later than March 15 or the~~  
11 ~~succeeding business day thereafter.~~

12 (c) The Department shall not make any application for a  
13 transporting organization available on and after the effective  
14 date of this amendatory Act of the 102nd General Assembly  
15 without conducting an evaluation of the transportation and  
16 delivery needs of the industry.

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

18 (410 ILCS 705/40-25)

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

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

25 (b) A transporting organization may not transport cannabis

1 or cannabis-infused products to any person other than a  
2 cultivation center, a craft grower, an infuser organization, a  
3 dispensing organization, a testing facility, a purchaser who  
4 is of legal age to purchase cannabis or cannabis-infused  
5 products, or as otherwise authorized by rule.

6 (c) All cannabis transported by a transporting  
7 organization must be entered into a data collection system and  
8 placed into a cannabis container for transport.

9 (d) Transporters are subject to random inspections by the  
10 Department of Agriculture, the Department of Public Health,  
11 the Illinois State Police, or as provided by rule.

12 (e) A transporting organization agent shall notify local  
13 law enforcement, the Illinois State Police, and the Department  
14 of Agriculture within 24 hours of the discovery of any loss or  
15 theft. Notification shall be made by phone, in person, or by  
16 written or electronic communication.

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

19 (g) No person or individual who is not a transporting  
20 organization agent shall be in a vehicle while transporting  
21 cannabis goods.

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

24 (i) It is unlawful for any person to offer or deliver  
25 money, or anything else of value, directly or indirectly, to  
26 any of the following persons to obtain preferential placement

1 within the dispensing organization, including, without  
2 limitation, on shelves and in display cases where purchasers  
3 can view products, or on the dispensing organization's  
4 website:

5 (1) a person having a transporting organization  
6 license, or any officer, associate, member,  
7 representative, or agent of the licensee;

8 (2) a person having an Early Applicant Adult Use  
9 Dispensing Organization License, an Adult Use Dispensing  
10 Organization License, or a medical cannabis dispensing  
11 organization license issued under the Compassionate Use of  
12 Medical Cannabis Program Act;

13 (3) a person connected with or in any way  
14 representing, or a member of the family of, a person  
15 holding an Early Applicant Adult Use Dispensing  
16 Organization License, an Adult Use Dispensing Organization  
17 License, or a medical cannabis dispensing organization  
18 license issued under the Compassionate Use of Medical  
19 Cannabis Program Act; or

20 (4) a stockholder, officer, manager, agent, or  
21 representative of a corporation engaged in the retail sale  
22 of cannabis, an Early Applicant Adult Use Dispensing  
23 Organization License, an Adult Use Dispensing Organization  
24 License, or a medical cannabis dispensing organization  
25 license issued under the Compassionate Use of Medical  
26 Cannabis Program Act.



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

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

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

14 (m) A vehicle transporting cannabis must not bear any  
15 markings to indicate the vehicle contains cannabis or bear the  
16 name or logo of the cannabis business establishment.

17 (n) Cannabis must be transported in an enclosed, locked  
18 storage compartment that is secured or affixed to the vehicle.

19 (o) The Department of Agriculture may, by rule, impose any  
20 other requirements or prohibitions on the transportation of  
21 cannabis.

22 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;  
23 102-98, eff. 7-15-21; 102-538, eff. 8-20-21; revised  
24 10-14-21.)

25 Section 99. Effective date. This Act takes effect upon  
26 becoming law.