HB5710

102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB5710

by Rep. Marcus C. Evans, Jr.

SYNOPSIS AS INTRODUCED:

See Index

Amends the Cannabis Regulation and Tax Act. Creates the Cannabis Equity and Oversight Commission. Provides that the Commission shall administer and enforce the provisions of the Act relating to the oversight, licensing, registration, and certification of dispensing organizations, cultivation centers, craft growers, infuser organizations, transporting organizations, laboratories, and agents, including, but not limited to, the issuance of identification cards and establishing limits on the potency or serving size of cannabis or cannabis products. Provides that the Commission may suspend or revoke the license of, or impose other penalties upon, dispensing organizations, cultivation centers, craft growers, infuser organizations, transporting organizations, laboratories, and their principal officers, agents-in-charge, and agents for violations of this Act or any rules adopted under this Act. Contains other provisions. Changes and inserts provisions of the Compassionate Use of Medical Cannabis Program Act into the Cannabis Regulation and Tax Act as its own Article. Repeals the Compassionate Use of Medical Cannabis Program Act. Makes conforming changes throughout various Acts. Effective July 1, 2022.

LRB102 26496 CPF 37026 b

A BILL FOR

AN ACT concerning health.

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

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

(30 ILCS 105/6z-112)

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

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

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

subsection (b).

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

(1) The Department of Revenue shall first determine the allocations which shall remain in the Cannabis Regulation Fund, subject to appropriations, to pay for the direct and indirect costs associated with the implementation, administration, and enforcement of the Cannabis Regulation and Tax Act by the Department of Revenue, the Department of State Police, the Cannabis Equity and Oversight Commission ~~the Department of Financial and Professional Regulation, the Department of Agriculture~~, the Department of Public Health, the Department of Commerce and Economic Opportunity, and the Illinois Criminal Justice Information Authority.

(2) After the allocations have been made as provided in paragraph (1) of this subsection (c), of the remainder of the amount subject to transfer for the month as

determined in this subsection (c), the Department shall certify the transfer into the Cannabis Expungement Fund 1/12 of the fiscal year amount appropriated from the Cannabis Expungement Fund for payment of costs incurred by State courts, the Attorney General, State's Attorneys, civil legal aid, as defined by Section 15 of the Public Interest Attorney Assistance Act, and the Department of State Police to facilitate petitions for expungement of Minor Cannabis Offenses pursuant to Public Act 101-27, as adjusted by any supplemental appropriation, plus cumulative deficiencies in such transfers for prior months.

(2.5) Beginning July 1, 2022, after allocations have been made as provided in paragraphs (1) and (2), the Department of Revenue shall certify to the State Comptroller, and the State Treasurer shall transfer, an amount that the Department of Revenue determines shall be transferred according to the following:

(A) 10% shall be transferred to the Cannabis Business Development Fund to be used for the purposes of issuing loans and grants to Social Equity Applicants and Ancillary Social Equity Businesses, as defined under Section 1-10 of the Cannabis Regulation and Tax Act. Expenditures for these purposes shall be subject to appropriation.

(3) After the allocations have been made as provided

in paragraphs (1), ~~and~~ (2), and (2.5) of this subsection (c), the Department of Revenue shall certify to the State Comptroller and the State Treasurer shall transfer the amounts that the Department of Revenue determines shall be transferred into the following named funds according to the following:

(A) 2% shall be transferred to the Drug Treatment Fund to be used by the Department of Human Services for: (i) developing and administering a scientifically and medically accurate public education campaign educating youth and adults about the health and safety risks of alcohol, tobacco, illegal drug use (including prescription drugs), and cannabis, including use by pregnant women; and (ii) data collection and analysis of the public health impacts of legalizing the recreational use of cannabis. Expenditures for these purposes shall be subject to appropriations.

(B) 8% shall be transferred to the Local Government Distributive Fund and allocated as provided in Section 2 of the State Revenue Sharing Act. The moneys shall be used to fund crime prevention programs, training, and interdiction efforts, including detection, enforcement, and prevention efforts, relating to the illegal cannabis market and driving under the influence of cannabis.

(C) 25% shall be transferred to the Criminal

Justice Information Projects Fund to be used for the purposes of the Restore, Reinvest, and Renew Program to address economic development, violence prevention services, re-entry services, youth development, and civil legal aid, as defined by Section 15 of the Public Interest Attorney Assistance Act. The Restore, Reinvest, and Renew Program shall address these issues through targeted investments and intervention programs and promotion of an employment infrastructure and capacity building related to the social determinants of health in impacted community areas. Expenditures for these purposes shall be subject to appropriations.

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

(E) 10% shall be transferred to the Budget

Stabilization Fund.

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

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

(d) On July 1, 2019 the Department of Revenue shall certify to the State Comptroller and the State Treasurer shall transfer $5,000,000 from the Compassionate Use of Medical Cannabis Fund to the Cannabis Regulation Fund.

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

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

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

(h) If the Cannabis Cultivation Privilege Tax imposed under Article 60 of the Cannabis Regulation and Tax Act or the Cannabis Excise Tax imposed under Article 65 of the Cannabis Regulation and Tax Act is adjusted, the Cannabis Equity and Oversight Commission must submit its recommendations to the General Assembly for any changes to the allocations set under subsection (c) within 180 calendar days after the effective date of this amendatory Act of the 102 General Assembly, if the Cannabis Equity and Oversight Commission finds there is a greater need for funding for a specific purpose in the State as it relates to Public Act 101-27. The Cannabis Equity and Oversight Commission may conduct a market study to support its recommendations. The Commission's recommendations must be submitted to the General Assembly in writing and posted on the Commission's website.

(i) Within the next fiscal year after receiving the Cannabis Equity and Oversight Commission's recommendations under subsection (g), and not before, the General Assembly must vote to maintain or change the allocations set under subsection (c). The General Assembly may only adjust the allocations set under subsection (c) if the General Assembly finds that there is a greater need for funding for a specific purpose in the State as it relates to Public Act 101-27.

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

Section 10. The Cannabis Regulation and Tax Act is amended

by changing Sections 1-10, 5-5, 5-10, 5-15, 5-20, 5-25, 5-30, 5-45, 7-10, 7-15, 7-20, 7-25, 7-30, 10-5, 10-10, 10-15, 10-20, 10-35, 10-40, 10-45, 10-50, 15-5, 15-15, 15-20, 15-25, 15-30.20, 15-35.10, 15-35.20, 15-55, 15-75, 15-80, 15-85, 15-90, 15-100, 15-110, 15-120, 15-125, 15-135, 15-140, 15-145, 15-150, 15-155, 15-160, 15-165, 15-170, 15-175, 20-1, 20-5, 20-15, 20-21, 20-30, 20-55, 25-1, 25-5, 25-10, 25-15, 25-25, 25-30, 25-35, 25-40, 30-3, 30-5, 30-10, 30-20, 30-30, 30-45, 30-55, 35-3, 35-5, 35-10, 35-25, 35-31, 35-45, 40-1, 40-5, 40-10, 40-25, 40-45, 45-5, 45-10, 45-20, 50-5, 55-5, 55-10, 55-15, 55-21, 55-30, 55-35, 55-40, 55-45, 55-50, 55-55, 55-60, 55-65, 55-85, 65-5, and by adding Section 5-50 and Articles 70 and 75 as follows:

(410 ILCS 705/1-10)

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

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

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

"Advertise" means to engage in promotional activities

including, but not limited to: newspaper, radio, Internet and electronic media, and television advertising; the distribution of fliers and circulars; billboard advertising; and the display of window and interior signs. "Advertise" does not mean exterior signage displaying only the name of the licensed cannabis business establishment.

"Ancillary social equity business" means a small business that provides goods or services in the medical and adult use cannabis industry and that meets the criteria of a social equity applicant, or other criteria that may be set forth by rule.

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

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

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

Applicants.

"Cannabis" means marijuana, hashish, and other substances that are identified as including any parts of the plant Cannabis sativa and including derivatives or subspecies, such as indica, of all strains of cannabis, whether growing or not; the seeds thereof, the resin extracted from any part of the plant; and any compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin, including tetrahydrocannabinol (THC) and all other naturally produced cannabinol derivatives, whether produced directly or indirectly by extraction; however, "cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted from it), fiber, oil or cake, or the sterilized seed of the plant that is incapable of germination. "Cannabis" does not include industrial hemp as defined and authorized under the Industrial Hemp Act. "Cannabis" also means cannabis flower, concentrate, and cannabis-infused products.

"Cannabis business establishment" means a cultivation center, craft grower, processing organization, infuser organization, dispensing organization, ~~or~~ transporting organization<u>, or any other organization the Commission may determine is a cannabis business establishment</u>.

"Cannabis concentrate" means a product derived from

cannabis that is produced by extracting cannabinoids, including tetrahydrocannabinol (THC), from the plant through the use of propylene glycol, glycerin, butter, olive oil, or other typical cooking fats; water, ice, or dry ice; or butane, propane, CO_2, ethanol, or isopropanol and with the intended use of smoking or making a cannabis-infused product. The use of any other solvent is expressly prohibited unless and until it is approved by the Commission ~~Department of Agriculture~~.

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

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

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

"Cannabis paraphernalia" means equipment, products, or materials intended to be used for planting, propagating,

cultivating, growing, harvesting, manufacturing, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, concealing, ingesting, or otherwise introducing cannabis into the human body.

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

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

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

"Commission" means the Cannabis Equity and Oversight Commission created under Section 5-50.

"Commissioner" means a member of the Commission.

"Community College Cannabis Vocational Training Pilot

Program faculty participant" means a person who is 21 years of age or older, licensed by the Commission ~~Department of Agriculture~~, and is employed or contracted by an Illinois community college to provide student instruction using cannabis plants at an Illinois Community College.

"Community College Cannabis Vocational Training Pilot Program faculty participant Agent Identification Card" means a document issued by the Commission ~~Department of Agriculture~~ that identifies a person as a Community College Cannabis Vocational Training Pilot Program faculty participant.

"Compassionate Use of Medical Cannabis Program" or "Program" means the program established under the Compassionate Use of Medical Cannabis Program Act, originally codified under Public Act 101-363, that has been combined with this Act for the purpose of streamlining the governance of the medical and adult use cannabis programs.

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

"Conditional Adult Use Cultivation Center License" means a license awarded to ~~top-scoring~~ applicants for an Adult Use Cultivation Center License that reserves the right to an Adult

Use Cultivation Center License if the applicant meets certain conditions as determined by the Commission ~~Department of Agriculture~~ by rule, but does not entitle the recipient to begin growing, processing, or selling cannabis or cannabis-infused products.

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

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

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

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

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

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

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

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

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

"Dispensing organization" means a facility operated by an

organization or business that is licensed by the Commission ~~Department of Financial and Professional Regulation~~ to acquire cannabis from a cultivation center, craft grower, processing organization, or another dispensary for the purpose of selling or dispensing cannabis, cannabis-infused products, cannabis seeds, paraphernalia, or related supplies under this Act to purchasers or to qualified registered medical cannabis patients and caregivers. ~~As used in this Act, "dispensing organization" includes a registered medical cannabis organization as defined in the Compassionate Use of Medical Cannabis Program Act or its successor Act that has obtained an Early Approval Adult Use Dispensing Organization License.~~

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

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

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

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

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

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

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

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

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

(3) meets any other criteria determined by the Commission using data sources, by rule.

"Early Approval Adult Use Cultivation Center License" means a license that permits a medical cannabis cultivation center licensed under ~~the Compassionate Use of Medical Cannabis Program Act as of the effective date of~~ this Act to begin cultivating, infusing, packaging, transporting (unless otherwise provided in this Act), processing, and selling cannabis or cannabis-infused product to cannabis business

establishments for resale to purchasers as permitted by this Act as of January 1, 2020.

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

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

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

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

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

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

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

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

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

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

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

"Individual" means a natural person.

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

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

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

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

"Limited access area" means a room or other area under the control of a cannabis dispensing organization licensed under this Act and upon the licensed premises where cannabis sales occur with access limited to purchasers, dispensing organization owners and other dispensing organization agents, or service professionals conducting business with the dispensing organization, or, if sales to registered qualifying patients, caregivers, provisional patients, and Opioid Alternative Pilot Program participants licensed pursuant to Article 70 ~~the Compassionate Use of Medical Cannabis Program Act~~ are also permitted at the dispensary, registered qualifying patients, caregivers, provisional patients, and Opioid Alternative Pilot Program participants.

"Loan" means a loan or debt support from a facility established through a financial intermediary agreement.

"Member of an impacted family" means an individual who has

a parent, legal guardian, child, spouse, or dependent, or was a dependent of an individual who, prior to the effective date of this Act, was arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement under this Act.

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

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

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

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

"Possession limit" means the amount of cannabis under Section 10-10 that may be possessed at any one time by a person

21 years of age or older or who is a registered qualifying medical cannabis patient or caregiver under Article 70 ~~the Compassionate Use of Medical Cannabis Program Act~~.

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

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

"Processing organization" or "processor" means a facility operated by an organization or business that is licensed by the Commission ~~Department of Agriculture~~ to either extract constituent chemicals or compounds to produce cannabis

concentrate or incorporate cannabis or cannabis concentrate into a product formulation to produce a cannabis product.

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

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

"Purchaser" means a person 21 years of age or older who acquires cannabis for a valuable consideration. "Purchaser" does not include a cardholder under Article 70 ~~the Compassionate Use of Medical Cannabis Program Act~~.

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

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

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

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

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

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

(3) school records;

(4) a voter registration card;

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

(6) a paycheck stub;

(7) a utility bill;

(8) tax records; or

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

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

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

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

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

control by one or more individuals who:

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

(ii) is a member of an impacted family;

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

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

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

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

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

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

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

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

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

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

"Transporting organization agent identification card" means a document issued by the Commission ~~Department of~~

~~Agriculture~~ that identifies a person as a transporting organization agent.

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

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

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

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

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

(410 ILCS 705/5-5)

Sec. 5-5. Sharing of authority. Notwithstanding any provision of law to the contrary, <u>on and after July 1, 2022 the Commission may enter into intergovernmental cooperation agreements with State departments that have any authority</u>

granted under this Act to carry out the functions, duties, and responsibilities of the Commission. The State departments shall collaborate and coordinate with the Commission to facilitate an efficient reorganization of the oversight and enforcement of the cannabis industry ~~any authority granted to any State agency or State employees or appointees under the Compassionate Use of Medical Cannabis Program Act shall be shared by any State agency or State employees or appointees given authority to license, discipline, revoke, regulate, or make rules under this Act~~.

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

(410 ILCS 705/5-10)

Sec. 5-10. Department of Agriculture; transfer of duties to the Cannabis Equity and Oversight Commission.

(a) The Department of Agriculture shall administer and enforce provisions of this Act relating to the oversight and registration of cultivation centers, craft growers, infuser organizations, and transporting organizations and agents, including the issuance of identification cards and establishing limits on potency or serving size for cannabis or cannabis products. The Department of Agriculture may suspend or revoke the license of, or impose other penalties upon cultivation centers, craft growers, infuser organizations, transporting organizations, and their principal officers, Agents-in-Charge, and agents for violations of this Act and

any rules adopted under this Act.

(b) Notwithstanding subsection (a), all functions granted to the Department of Agriculture under subsection (a) are transferred to, and shall be carried out by, the Commission. The Commission has all authority previously granted to the Department of Agriculture to enforce this Act.

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

(410 ILCS 705/5-15)

Sec. 5-15. Department of Financial and Professional Regulation; transfer of duties to the Cannabis Equity and Oversight Commission.

(a) The Department of Financial and Professional Regulation shall enforce the provisions of this Act relating to the oversight and registration of dispensing organizations and agents, including the issuance of identification cards for dispensing organization agents. The Department of Financial and Professional Regulation may suspend or revoke the license of, or otherwise discipline dispensing organizations, principal officers, agents-in-charge, and agents for violations of this Act and any rules adopted under this Act.

(b) Notwithstanding subsection (a), all functions granted to the Department of Financial and Professional Regulation under subsection (a) are transferred to, and shall be carried out by, the Commission. The Commission has all authority previously granted to the Department of Financial and

Professional Regulation to enforce this Act.

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

(410 ILCS 705/5-20)

Sec. 5-20. Background checks; Illinois State Police.

(a) Through the Illinois State Police, the Commission ~~licensing or issuing Department~~ shall conduct a criminal history record check of the prospective principal officers, board members, and agents of a cannabis business establishment applying for a license or identification card under this Act.

Each cannabis business establishment prospective principal officer, board member, or agent shall submit his or her fingerprints to the Illinois State Police in the form and manner prescribed by the Illinois State Police.

Unless otherwise provided in this Act, such fingerprints shall be transmitted through a live scan fingerprint vendor licensed by the Department of Financial and Professional Regulation. These fingerprints shall be checked against the fingerprint records now and hereafter filed in the Illinois State Police and Federal Bureau of Investigation criminal history records databases. The Illinois State Police shall charge a fee for conducting the criminal history record check, which shall be deposited into the State Police Services Fund and shall not exceed the actual cost of the State and national criminal history record check. The Illinois State Police shall furnish, pursuant to positive identification, all Illinois

conviction information and shall forward the national criminal history record information to the Commission.~~:~~

~~(i) the Department of Agriculture, with respect to a cultivation center, craft grower, infuser organization, or transporting organization; or~~

~~(ii) the Department of Financial and Professional Regulation, with respect to a dispensing organization.~~

(b) When applying for the initial license or identification card, the background checks for all prospective principal officers, board members, and agents shall be completed before submitting the application to the licensing or issuing agency.

(c) All applications for licensure under this Act by applicants with criminal convictions shall be subject to Sections 2105-131, 2105-135, and 2105-205 of the Department of Professional Regulation Law of the Civil Administrative Code of Illinois.

(d) Notwithstanding any other provision of law, all authority granted to the Illinois State Police, including, but not limited to, conducting random inspections and investigations, provided under Sections 15-135, 25-30, 30-30, 35-25, 40-25, and 55-15 of this Act and Sections 105 and 130 of the Compassionate Use of Medical Cannabis Program Act are transferred to the Commission.

(Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 102-538, eff. 8-20-21.)

(410 ILCS 705/5-25)

Sec. 5-25. Department of Public Health to make health warning recommendations.

(a) The Department of Public Health shall make recommendations to the Commission ~~Department of Agriculture and the Department of Financial and Professional Regulation~~ on appropriate health warnings for dispensaries and advertising, which may apply to all cannabis products, including item-type specific labeling or warning requirements, regulate the facility where cannabis-infused products are made, regulate cannabis-infused products as provided in subsection (e) of Section 55-5, and facilitate the Adult Use Cannabis Health Advisory Committee.

(b) An Adult Use Cannabis Health Advisory Committee is hereby created and shall meet at least twice annually. The Chairperson may schedule meetings more frequently upon his or her initiative or upon the request of a Committee member. Meetings may be held in person or by teleconference. The Committee shall discuss and monitor changes in drug use data in Illinois and the emerging science and medical information relevant to the health effects associated with cannabis use and may provide recommendations to the Department of Human Services and the Commission about public health awareness campaigns and messages. The Committee shall include the following members appointed by the Governor and shall

represent the geographic, ethnic, and racial diversity of the State:

(1) The Director of Public Health, or his or her designee, who shall serve as the Chairperson.

(2) The Secretary of Human Services, or his or her designee, who shall serve as the Co-Chairperson.

(3) A representative of the poison control center.

(4) A pharmacologist.

(5) A pulmonologist.

(6) An emergency room physician.

(7) An emergency medical technician, paramedic, or other first responder.

(8) A nurse practicing in a school-based setting.

(9) A psychologist.

(10) A neonatologist.

(11) An obstetrician-gynecologist.

(12) A drug epidemiologist.

(13) A medical toxicologist.

(14) An addiction psychiatrist.

(15) A pediatrician.

(16) A representative of a statewide professional public health organization.

(17) A representative of a statewide hospital/health system association.

(18) An individual registered as a patient in the Compassionate Use of Medical Cannabis Program.

(19) An individual registered as a caregiver in the Compassionate Use of Medical Cannabis Program.

(20) A representative of an organization focusing on cannabis-related policy.

(21) A representative of an organization focusing on the civil liberties of individuals who reside in Illinois.

(22) A representative of the criminal defense or civil aid community of attorneys serving Disproportionately Impacted Areas.

(23) A representative of licensed cannabis business establishments.

(24) A Social Equity Applicant.

(25) A representative of a statewide community-based substance use disorder treatment provider association.

(26) A representative of a statewide community-based mental health treatment provider association.

(27) A representative of a community-based substance use disorder treatment provider.

(28) A representative of a community-based mental health treatment provider.

(29) A substance use disorder treatment patient representative.

(30) A mental health treatment patient representative.

(c) The Committee shall provide a report by September 30, 2021, and every year thereafter, to the Commission and the General Assembly. The Department of Public Health shall make

the report available on its website.

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

(410 ILCS 705/5-30)

Sec. 5-30. Department of Human Services. The Department of Human Services shall identify evidence-based programs for preventive mental health, the prevention or treatment of alcohol abuse, tobacco use, illegal drug use (including prescription drugs), and cannabis use by pregnant women, and make policy recommendations, as appropriate, to the Adult Use Cannabis Health Advisory Committee and the Commission. The Department of Human Services shall develop and disseminate educational materials for purchasers based on recommendations received from the Department of Public Health, the Commission, and the Adult Use Cannabis Health Advisory Committee. Beginning July 1, 2022, the Commission may also develop and disseminate educational materials.

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

(410 ILCS 705/5-45)

Sec. 5-45. Illinois Cannabis Regulation Oversight Officer.

(a) The position of Illinois Cannabis Regulation Oversight Officer is created within the Commission ~~Department of Financial and Professional Regulation under the Secretary of Financial and Professional Regulation~~. The Cannabis Regulation Oversight Officer serves a coordinating role among State

agencies regarding this Act ~~and the Compassionate Use of Medical Cannabis Program Act~~. The Illinois Cannabis Regulation Oversight Officer shall be appointed by the Governor with the advice and consent of the Senate. The term of office of the Officer shall expire on the third Monday of January in odd-numbered years provided that he or she shall hold office until a successor is appointed and qualified. In case of vacancy in office during the recess of the Senate, the Governor shall make a temporary appointment until the next meeting of the Senate, when the Governor shall nominate some person to fill the office, and any person so nominated who is confirmed by the Senate shall hold office during the remainder of the term and until his or her successor is appointed and qualified.

(b) The Illinois Cannabis Regulation Oversight Officer has the authority to:

(1) maintain a staff;

(2) make recommendations for administrative and statutory changes;

(3) collect data both in Illinois and outside Illinois regarding the regulation of cannabis;

(4) compile or assist in the compilation of any reports required by this Act;

(5) ensure the coordination of efforts between various State agencies involved in regulating and taxing the sale of cannabis in Illinois; and

(6) encourage, promote, suggest, and report best practices for ensuring diversity in the cannabis industry in Illinois.

(c) The Illinois Cannabis Regulation Oversight Officer and the Officer's staff shall not:

(1) participate in the issuance or award of any cannabis business establishment license; or

(2) participate in discipline related to any cannabis business establishment.

The Illinois Cannabis Regulation Officer is not prohibited from coordinating with and making recommendations to agencies regarding licensing and disciplinary policies and procedures.

(d) Any funding required for the Illinois Cannabis Regulation Oversight Officer, its staff, or its activities shall be drawn from the Cannabis Regulation Fund.

(e) The Illinois Cannabis Regulation Oversight Officer shall commission and publish one or more disparity and availability studies that: (1) evaluates whether there exists discrimination in the State's cannabis industry; and (2) if so, evaluates the impact of such discrimination on the State and includes recommendations to the Commission ~~Department of Financial and Professional Regulation and the Department of Agriculture~~ for reducing or eliminating any identified barriers to entry in the cannabis market. Such disparity and availability studies shall examine each license type issued pursuant to Sections 15-25, 15-30.1, or 15-35.20, subsection

(a) of Section 30-5, or subsection (a) of Section 35-5, and shall be initiated within 180 days from the issuance of the first of each license authorized by those Sections. The results of each disparity and availability study shall be reported to the General Assembly and the Governor no later than 12 months after the commission of each study.

The Illinois Cannabis Regulation Oversight Officer shall forward a copy of its findings and recommendations to the Commission ~~Department of Financial and Professional Regulation, the Department of Agriculture~~, the Department of Commerce and Economic Opportunity, the General Assembly, and the Governor.

(f) The Illinois Cannabis Regulation Oversight Officer may compile, collect, or otherwise gather data necessary for the administration of this Act and to carry out the Officer's duty relating to the recommendation of policy changes. The Illinois Cannabis Regulation Oversight Officer may direct the Commission ~~Department of Agriculture, Department of Financial and Professional Regulation, Department of Public Health~~, Department of Human Services, and Department of Commerce and Economic Opportunity to assist in the compilation, collection, and data gathering authorized pursuant to this subsection. The Illinois Cannabis Regulation Oversight Officer shall compile all of the data into a single report and submit the report to the Governor and the General Assembly and publish the report on its website.

(g) The Illinois Cannabis Regulation Oversight Officer, the Illinois Cannabis Regulation Oversight Office, and all its personnel and functions shall transfer to the Commission on or as soon as practicable after July 1, 2022.

(h) Notwithstanding any other provision of law, the Cannabis Regulation Oversight Officer shall serve as the initial Executive Director of the Commission and shall have the authority to carry out the functions for the oversight and enforcement of this Act.

(Source: P.A. 101-27, eff. 6-25-19; 102-98, eff. 7-15-21.)

(410 ILCS 705/5-50 new)

Sec. 5-50. Cannabis Equity and Oversight Commission.

(a) There is hereby created the Cannabis Equity and Oversight Commission, consisting of 5 members to be appointed by the Governor with the advice and consent of the Senate, no more than 3 of whom shall be members of the same political party at the time of appointment. In case of a vacancy in the Commission office during the recess of the Senate, the Governor shall make a temporary appointment until the next meeting of the Senate, and the appointee shall hold his or her office during the remainder of the term and until the successor is qualified and appointed by the Governor. Each member of the Commission shall hold office for a term of 5 years, beginning on the third Monday in January of the year in which the predecessor's term expires.

Within 90 days, or as soon as practicable, after the effective date of this amendatory Act of the 102nd General Assembly, the Governor shall appoint 3 members of the Commission. One member shall be designated as the chairperson by a majority vote of the Commissioners. The Chairperson shall serve as the chief executive officer of the Commission for the purpose of ensuring that the Commission's policies are properly executed. Within 180 days after the effective date of this amendatory Act of the 102nd General Assembly, the Governor shall appoint the remaining 2 members of the Commission. At the expiration of the term of any Commissioner the Governor shall reappoint the Commissioner or appoint a successor of the Commissioner for a period of 5 years. The Governor may fill vacancies in the office of any Commissioner.

Each Commissioner shall serve until a successor is appointed and qualified, except that if the Senate refuses to consent to the appointment of any Commissioner, such office shall be deemed vacant, and within 2 weeks of the date the Senate refuses to consent to the reappointment of any Commissioner, such Commissioner shall vacate such office.

At least one Commissioner shall be an individual formerly incarcerated for drug-related offenses or is a member of an impacted family. At least 2 Commissioners shall reside in a Disproportionately Impacted Area. At least 2 Commissioners shall meet at least one of the following qualifications:

(1) A business owner in a regulated industry that is

not regulated under this Act.

(2) A medical professional with a background in substance use and abuse, mental health, or toxicology.

(3) A background in legal, policy, or social justice issues.

A majority of the Commissioners shall constitute a quorum to transact business, but no vacancy shall impair the right of the remaining Commissioners to exercise all of the powers of the Commission. Every act of a majority of the Commissioners shall be deemed to be the act of the Commission. The Commission shall keep a record of all proceedings, transactions, communications, and official acts of the Commission and who shall serve as a custodian of all records and perform such other duties as the Commission may prescribe.

Each Commissioner and the Executive Director, and each person appointed by the Commission, shall, before entering upon the duties of their office, take and subscribe to the constitutional oath of office. The Executive Director and each inspector, clerk, and other employee shall devote his or her entire time to the duties of their office.

No person appointed as a Commissioner, Executive Director, inspector, or other employee may, directly, individually, or as a member of a partnership, or as a shareholder of a corporation, have any financial interest whatsoever in the manufacture, sale, or distribution of cannabis, nor receive any compensation or profit therefrom, nor have any interest

whatsoever in the purchase or sale made by the persons authorized to do so under this Act. No provision of this Section shall prevent any Commissioner, Executive Director, inspector, or other employee from purchasing and keeping in his or her possession for their use or use of members of their family or guest any cannabis product that may be purchased or kept by any person by virtue of this Act.

No Commissioner, Executive Director, or person appointed or employed by the Commission shall solicit or accept any gift, gratuity, emolument, or employment from any person subject to the provisions of this Act, or from any officer, agent, or employee thereof, nor solicit, request from, or recommend, directly or indirectly, to any such person. Every officer, agent, or employee thereof is hereby forbidden to offer to any Commissioner, Executive Director, or to any person appointed or employed by the Commission any gift, gratuity, emolument, or employment. If any Commissioner, Executive Director, or any person appointed or employed by the Commission shall violate any of the provisions of this Section, that person shall be removed from the office or employment they hold. A person who violates the provisions of this Section shall be guilty of a Class A misdemeanor.

The Chairperson of the Commission shall receive an annual salary of $165,000 or such greater amount as may be set by the Compensation Review Board. The other Commissioners shall receive an annual salary of $150,000 or such greater amount as

may be set by the Compensation Review Board. The Executive Director of the Commission shall receive an annual salary of $175,000 or such greater amount as may be set by the Compensation Review Board. All clerks, inspectors, and employees of the Commission shall receive reasonable compensation in an amount fixed by the Commission, subject to the approval in writing of the Governor. The status and rights of a transferred employee, and the rights of the State of Illinois and its agencies, under the Personnel Code and applicable collective bargaining agreements or under any pension, retirement, or annuity plan are not affected (except as provided in Sections 14-110 and 18-127 of the Illinois Pension Code) by that transfer or by any other provision of this amendatory Act of the 102nd General Assembly.

The Commission shall administer and enforce the provisions of this Act relating to the oversight, licensing, registration, and certification of dispensing organizations, cultivation centers, craft growers, infuser organizations, transporting organizations, laboratories, and agents, including, but not limited to, the issuance of identification cards and establishing limits on the potency or serving size of cannabis or cannabis products. The Commission may suspend or revoke the license of, or impose other penalties upon, dispensing organizations, cultivation centers, craft growers, infuser organizations, transporting organizations, laboratories, and their principal officers, agents-in-charge,

and agents for violations of this Act or any rules adopted under this Act.

(b) To provide for the expeditious and timely implementation of the provisions of this amendatory Act of the 102nd General Assembly, the Commission may adopt emergency rules in accordance with Section 5-45 by the of the Illinois Administrative Procedure Act. The adoption of emergency rules authorized by Section 5-45 and this Section is deemed to be necessary for the public interest, safety, and welfare.

This subsection is inactive one year after the effective date of this amendatory Act of the 102nd General Assembly.

(c) The Commission shall have following powers, functions, and duties:

(1) To administer and enforce provisions of this Act relating to the oversight, licensing, and registration of dispensing organizations, cultivation centers, craft growers, infuser organizations, transporting organizations, and laboratories as well as any other activity related to cannabis.

(2) To suspend or revoke the license of or otherwise discipline dispensing organizations, cultivation centers, craft growers, infuser organizations, transporting organizations, and laboratories.

(3) To administer the Community College Cannabis Vocational Pilot Program under Article 25.

(4) To establish by rule any fee required, including,

but not limited to, fees for cannabis business establishments.

(5) To call upon other administrative departments of the State, county and municipal governments, city police departments, and prosecuting officers for such information and assistance as the Commission deems necessary in the performance of its duties.

(6) To establish market protections that protect against unfair business practices, including, but not limited to, price fixing, bid rigging, boycotts, agreements to not compete, exclusive wholesale arrangements for cannabis concentrate, cannabis flower, cannabis infused products, and any product that is licensed under this Act to ensure all license types have equal access to the market without unfair competition.

(7) To establish market protections that protect against unfair business practices and reduce or eliminate any identified barriers to entry in the cannabis market for cannabis business establishments owned by Social Equity applicants and owners who qualify as Social Equity applicants.

(8) To establish requirements for cannabis business establishments and any other licenses, by rule, related to public safety, including, but not limited to, recordkeeping, security, destruction and disposal of cannabis, storage, inventory, point of sale technology, or

operating procedures.

(9) To inspect, or cause to be inspected, randomly and without prior notice any premises of cannabis business establishments.

(10) To amend or expand the definition of a Social Equity Applicant under this Act.

(11) To develop a noncompetitive application and selection process for licensing cannabis business establishments that may be similar to licensing under the Illinois Liquor Control Act.

(12) To develop and disseminate educational materials for purchasers based on recommendations received from the Adult Use Cannabis Health Advisory Committee. The Commission shall collaborate with the Department of Human Services, the Department of Public Health, and the Adult Use Cannabis Health Advisory Committee.

(13) To ensure that that a criminal history record check of the prospective principal officers, board members, and agents of a cannabis business establishment applying for a license or agent identification card under this Act is completed in cooperation with the Department of Financial and Professional Regulation, the Department of Agriculture, and the Illinois State Police.

(14) To provide technical assistance and financial support, as well as any other actions the Commission may deem necessary, to aid Social Equity Applicants, owners

who qualify as Social Equity Applicants, and Ancillary Social Equity Businesses.

(15) To develop and disseminate educational materials for purchasers based on recommendations received from the Adult Use Cannabis Health Advisory Committee.

(16) To coordinate and cooperate with the Department of Public Health on completion of goals that include, but are not limited to, the following:

(A) Establish and maintain a confidential registry of qualifying patients authorized to engage in the medical use of cannabis and their caregivers.

(B) Distribute educational materials about the health benefits and risks associated with the use of cannabis prescription medications.

(C)Adopt rules establishing food handling requirements for cannabis infused products that are prepared for human consumption.

(17) To submit an annual report to the General Assembly and the Governor, by September 30 of each year, that does not disclose any identifying information about cultivation centers, craft growers, infuser organizations, transportation organizations, or dispensing organizations but does contain, at a minimum, all of the following information for the previous fiscal year:

(A) The number of licenses issued to cannabis business establishments organizations by county, or,

in counties with greater than 3,000,000 residents, by zip code.

(B) The total number of cannabis business establishment organizations owners that are Social Equity Applicants or minority persons, women, or persons with disabilities as those terms are defined under Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

(C) The total number of revenues received from cannabis business establishments, segregated from revenues received from cannabis business establishments under the Article 70, by county, and separated by source of revenue.

(D) The total amount of revenue received from dispensing organizations that share a premises or majority ownership with a craft grower.

(E) The total amount of revenue received from dispensing organizations that share a premises or majority ownership with an infuser.

(F) The total amount of revenue received from craft growers and infusers that share a premises or majority ownership with a dispensing organization.

(G) The total amount of revenue received from craft growers that share a premises or majority ownership with an infuser, but do not share a premises or ownership with a dispensary.

(H) The total amount of revenue received from infusers that share a premises or majority ownership with a craft grower, but do not share a premises or ownership with a dispensary.

(I) The total amount of revenue received from craft growers that share a premises or majority ownership with a dispensing organization, but do not share a premises or ownership with an infuser.

(J) The total amount of revenue received from infusers that share a premises or majority ownership with a dispensing organization, but do not share a premises or ownership with a craft grower.

(K) The total amount of revenue received from transporters.

(L) The total amount of revenue received from cannabis business establishment organizations that share a premises or majority ownership with other cannabis business establishments.

(M) An analysis of revenue generated from taxation, licensing, and other fees for the State, including recommendations to change the tax rate applied.

(18) To conduct or commission an annual survey of the cannabis industry, to be completed on or before January 1 of each year. Each cannabis business establishment licensed under this Act shall report to the Commission, on

a form to be provided by the Commission, information that will allow the Commission to assess the extent of diversity in the medical and adult use cannabis industry and methods for reducing or eliminating any identified barriers to entry, including access to capital. Failure of a cannabis business establishment to respond to the request to complete the form, survey, or any other request for information may be grounds for disciplinary action by the Commission. The information to be collected shall be designed, at a minimum, to identify the following:

(A) The number and percentage of licenses provided to Social Equity Applicants and to businesses owned by minorities, women, veterans, and persons with disabilities.

(B) The total number and percentage of employees in the cannabis industry who meet the criteria in subparagraphs (i) or (ii) of paragraph (3) of the definition of Social Equity Applicant or who are minorities, women, veterans, or persons with disabilities.

(C) The total number and percentage of contractors and subcontractors in the cannabis industry that meet the definition of a Social Equity Applicant, are persons who are minorities, women, veterans, or persons with disabilities, and are owned by persons who are minorities, women, veterans, or persons with

disabilities, if known to the cannabis business establishment.

(D) Recommendations for reducing or eliminating any identified barriers to entry, including access to capital, in the cannabis industry.

(d) The Commission shall establish by rule the information required in an initial application or renewal application for an agent identification card for dispensing organizations, cultivation centers, craft growers, infusers, transporters, or any other organization that may be submitted under this Act and the nonrefundable fee to accompany the initial application or renewal application. The Commission shall also perform the following:

(1) Verify the information contained in an initial application or renewal application for an agent identification card submitted under this Act and approve or deny an application within 30 days after receiving a completed initial application or renewal application and all supporting documentation required by rule.

(2) Issue an agent identification card to a qualifying agent within 15 business days after approving the initial application or renewal application.

(3) Enter the license number of the cannabis business establishment where the agent works.

(4) Allow for an electronic initial application and renewal application process and provide a confirmation by

electronic or other methods that an application has been submitted.

(e) An agent must always keep his or her identification card visible when on the property of the cannabis business establishment at which the agent is employed. The agent identification cards shall contain the following:

(1) The name of the cardholder.

(2) The date of issuance and expiration date of the identification card.

(3) A random 10-digit alphanumeric identification number containing at least 4 numbers and at least 4 letters that is unique to the cardholder.

(4) A photograph of the cardholder.

An agent identification card shall be immediately returned to the cannabis business establishment of the agent upon termination of the agent's employment.

Any agent identification card that is lost shall be reported to the Illinois State Police and the Commission immediately upon discovery of the loss.

The Commission shall not issue an agent identification card if the applicant is delinquent in filing any required tax return or paying any amount owed to the State of Illinois.

(f) The Commission shall require every cannabis business establishment to designate, at a minimum, one agent-in-charge for each licensed cannabis business establishment. The designated agent-in-charge must hold an agent identification

card. Maintaining an agent-in-charge is a continuing requirement for the license, except as provided under subsection (g).

The agent-in-charge shall be a principal officer or a full-time agent of the cannabis business establishment and shall manage the cannabis business establishment.

The agent-in-charge is responsible for promptly notifying the Commission of any change of information required to be reported to the Commission.

The agent-in-charge is responsible for notifying the Commission of a change in the employment status of all cannabis business establishment agents within 5 business days after the change, including notice to the Commission if the termination of an agent was for diversion of product or theft of currency.

(g) If there is a separation of an agent-in-charge due to death, incapacity, termination, or any other reason, and if the cannabis business establishment does not have an active agent-in-charge, the cannabis business establishment shall immediately contact the Commission and request a temporary certificate of authority allowing the continuing operation of the cannabis business establishment. The request shall include the name of an interim agent-in-charge until a replacement is identified, or shall include the name of the replacement.

The Commission shall issue a temporary certificate of authority promptly after it approves the request. If a

cannabis business establishment fails to promptly request a temporary certificate of authority after the separation of the agent-in-charge, its registration shall cease until the Commission approves the temporary certificate of authority or registers a new agent-in-charge.

No temporary certificate of authority shall be valid for more than 90 days. The succeeding agent-in-charge shall register with the Commission in compliance with this Article.

Once the permanent succeeding agent-in-charge is registered with the Commission, the temporary certificate of authority is void. No temporary certificate of authority shall be issued for the separation of an agent-in-charge due to disciplinary action by the Commission related to their conduct on behalf of the cannabis business establishment.

(h) The cannabis business establishment agent-in-charge registration shall expire one year from the date it is issued. The agent-in-charge's registration shall be renewed annually. The Commission shall review the compliance history of the cannabis business establishment when determining whether to grant the request to renew.

(i) Upon termination of an agent-in-charge's employment, the cannabis business establishment shall immediately reclaim the agent identification card. The cannabis business establishment shall promptly return the identification card to the Commission.

(j) The Commission may deny an application or renewal or

discipline or revoke an agent-in-charge identification card for any of the following reasons:

(1) Submission of misleading, incorrect, false, or fraudulent information in the application or renewal application.

(2) Violation of the requirements of this Act or rules adopted under this Act.

(3) Fraudulent use of the agent-in-charge identification card.

(4) Selling, distributing, transferring in any manner, or giving cannabis to any unauthorized person.

(5) Theft of cannabis, currency, or any other items from a cannabis business establishment.

(6) Tampering with, falsifying, altering, modifying, or duplicating an agent-in-charge identification card.

(7) Tampering with, falsifying, altering, or modifying the surveillance video footage, point-of-sale system, or the State's verification system.

(8) Failure to notify the Commission immediately upon discovery that an agent-in-charge identification card has been lost, stolen, or destroyed.

(9) Failure to notify the Commission within 5 business days after a change in the information provided in the application for an agent-in-charge identification card.

(10) Dispensing to purchasers in amounts above the limits provided in this Act.

(11) Delinquency in filing any required tax returns or paying any amount owed to the State of Illinois.

(k) Adult Use Dispensing Organization Licenses issued on or before July 1, 2022 shall expire on March 31 of even-numbered years. Adult Use Dispensing Organizations Licenses issued after July 1, 2022 shall expire annually. However, the Commission may determine by rule when an Adult Use Dispensing Organization Licenses will expire.

(l) Licenses for dispensing organizations, cultivation centers, craft growers, infuser organizations, and transporting organizations shall be renewed annually, with the licensed period running until one year after the date the cannabis business establishment license is issued. A cannabis business establishment shall receive written or electronic notice of the expiration of its current license at least 90 days before its expiration.

(m) The Commission shall grant a renewal within 45 days after submission of a complete renewal application if the cannabis business establishment submits the following as required under this Act or rules adopted under this Act:

(1) A renewal application as provided by the Commission.

(2) Nonrefundable renewal fees, or another amount as the Commission may set by rule after July 1, 2022, to be deposited into the Cannabis Regulation Fund.

(3) Verification on a form provided by the Commission

of submission of an environmental impact report.

(4) Verification on a form provided by the Commission that the annual diversity report issued by the Cannabis Regulation Oversight Officer or the Commission was completed and submitted.

(n) The Commission shall not grant a license renewal in the following instances:

(1) If the license is currently under revocation or suspension for violation of this Act or any rules adopted under this Act, the licensee, principal officer, board member, person has a financial or voting interest of 5% or greater in the licensee, or an agent of the license holder is delinquent in filing any required tax return or paying any amount owed to the State of Illinois.

(2) If a cannabis business establishment fails to renew its license before expiration, the cannabis business establishment shall cease operation until the license is renewed.

(o) Any cannabis business establishment that continues to operate and that fails to renew its license is subject to penalty as provided under Section 45-5 or any rules that may be adopted under this Act.

(p) All fees and fines collected from the renewal of a cannabis business establishment license shall be deposited into the Cannabis Regulation Fund.

(410 ILCS 705/7-10)

Sec. 7-10. Cannabis Business Development Fund.

(a) There is created in the State treasury a special fund, which shall be held separate and apart from all other State moneys, to be known as the Cannabis Business Development Fund. The Cannabis Business Development Fund shall be exclusively used for the following purposes:

(1) to provide low-interest rate loans to Qualified Social Equity Applicants to pay for ordinary and necessary expenses to start and operate a cannabis business establishment permitted by this Act;

(2) to provide grants to Qualified Social Equity Applicants to pay for ordinary and necessary expenses to start and operate a cannabis business establishment permitted by this Act;

(3) to compensate the Department of Commerce and Economic Opportunity for any costs related to the provision of low-interest loans and grants to Qualified Social Equity Applicants;

(4) to pay for outreach that may be provided or targeted to attract and support Social Equity Applicants and Qualified Social Equity Applicants;

(5) (blank);

(6) to conduct any study or research concerning the participation of minorities, women, veterans, or people with disabilities in the cannabis industry, including,

without limitation, barriers to such individuals entering the industry as equity owners of cannabis business establishments;

(7) (blank); and

(8) to assist with job training and technical assistance for residents in Disproportionately Impacted Areas.

(b) All moneys collected under Sections 15-15 and 15-20 for Early Approval Adult Use Dispensing Organization Licenses issued before January 1, 2021 and remunerations made as a result of transfers of permits awarded to Qualified Social Equity Applicants shall be deposited into the Cannabis Business Development Fund.

(c) As soon as practical after July 1, 2019, the Comptroller shall order and the Treasurer shall transfer $12,000,000 from the Compassionate Use of Medical Cannabis Fund to the Cannabis Business Development Fund. <u>After July 1, 2022, the Comptroller shall order the transfer of the amount specified in subsection (2.5) of subsection (c) of Section 6z-112 of the State Finance Act, which will serve as a reoccurring revenue stream for the benefit of Social Equity Applicants, Social Equity Applicant owners, and Ancillary Social Equity Businesses.</u>

(d) Notwithstanding any other law to the contrary, the Cannabis Business Development Fund is not subject to sweeps, administrative charge-backs, or any other fiscal or budgetary

maneuver that would in any way transfer any amounts from the Cannabis Business Development Fund into any other fund of the State.

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

(410 ILCS 705/7-15)

Sec. 7-15. Loans and grants to Social Equity Applicants and Ancillary Social Equity Businesses.

(a) The Department of Commerce and Economic Opportunity shall establish grant and loan programs, subject to appropriations from the Cannabis Business Development Fund, for the purposes of providing financial assistance, loans, grants, ~~and technical assistance~~ to Social Equity Applicants.

(b) The Department of Commerce and Economic Opportunity has the power to:

(1) provide Cannabis Social Equity loans and grants from appropriations from the Cannabis Business Development Fund to assist Qualified Social Equity Applicants in gaining entry to, and successfully operating in, the State's regulated cannabis marketplace;

(2) enter into agreements that set forth terms and conditions of the financial assistance, accept funds or grants, and engage in cooperation with financial intermediaries, private entities, and agencies of State or local government to carry out the purposes of this Section;

(3) fix, determine, charge, and collect any premiums, fees, charges, costs and expenses, including application fees, commitment fees, program fees, financing charges, or publication fees in connection with its activities under this Section;

(4) coordinate assistance under these loan programs with activities of the Illinois Department of Financial and Professional Regulation, the Illinois Department of Agriculture, the Commission, and other agencies as needed to maximize the effectiveness and efficiency of this Act;

(5) provide staff, administration, and related support required to administer this Section;

(6) take whatever actions are necessary or appropriate to protect the State's interest in the event of bankruptcy, default, foreclosure, or noncompliance with the terms and conditions of financial assistance provided under this Section, including the ability to recapture funds if the recipient is found to be noncompliant with the terms and conditions of the financial assistance agreement;

(7) establish application, notification, contract, and other forms, procedures, or rules deemed necessary and appropriate;

~~and~~

(7.5) enter into financial intermediary agreements that facilitate lending to Qualified Social Equity

Applicants and Ancillary Social Equity Businesses, which may provide for, but need not be limited to, participation agreements in which the Department of Commerce and Economic Opportunity purchases an undivided interest in a loan, establishment of collateral support funds, financial aid for loan loss reserve accounts, or similar forms of support intended to leverage private investment; and

(8) utilize vendors or contract work to carry out the purposes of this Act.

(c) Loans made under this Section:

(1) shall only be made if, in the Department's judgment, the project furthers the goals set forth in this Act; and

(2) shall be in such principal amount and form and contain such terms and provisions with respect to security, insurance, reporting, delinquency charges, default remedies, and other matters as the Department shall determine appropriate to protect the public interest and to be consistent with the purposes of this Section. The terms and provisions may be less than required for similar loans not covered by this Section.

(d) Grants made under this Section shall be awarded on a competitive and annual basis under the Grant Accountability and Transparency Act. Grants made under this Section shall further and promote the goals of this Act, including promotion of Social Equity Applicants, job training and workforce

development, and technical assistance to Social Equity Applicants. The Department of Commerce and Economic Opportunity shall coordinate with the Commission and may enter into intergovernmental agreements for the purposes of establishing policies and administering the grant program.

(e) Beginning January 1, 2021 and each year thereafter, the Department shall collaborate with the Commission on data collection and reporting shall annually report to the Governor and the General Assembly on the outcomes and effectiveness of this Section that shall include the following:

(1) the number of persons or businesses receiving financial assistance under this Section;

(2) the amount in financial assistance awarded in the aggregate, in addition to the amount of loans made that are outstanding and the amount of grants awarded;

(3) the location of the project engaged in by the person or business; and

(4) if applicable, the number of new jobs and other forms of economic output created as a result of the financial assistance.

(f) The Department of Commerce and Economic Opportunity shall include engagement with individuals with limited English proficiency as part of its outreach provided or targeted to attract and support Social Equity Applicants.

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

(410 ILCS 705/7-20)

Sec. 7-20. Fee waivers.

(a) For Social Equity Applicants, the Commission ~~Department of Financial and Professional Regulation and the Department of Agriculture~~ shall waive 50% of any nonrefundable license application fees, any nonrefundable fees associated with purchasing a license to operate a cannabis business establishment, and any surety bond or other financial requirements, provided a Social Equity Applicant meets the following qualifications at the time the payment is due:

(1) the applicant, including all individuals and entities with 10% or greater ownership and all parent companies, subsidiaries, and affiliates, has less than a total of $750,000 of income in the previous calendar year; and

(2) the applicant, including all individuals and entities with 10% or greater ownership and all parent companies, subsidiaries, and affiliates, has no more than 2 other licenses for cannabis business establishments in the State of Illinois.

(b) The Commission ~~Department of Financial and Professional Regulation and the Department of Agriculture~~ may require Social Equity Applicants to attest that they meet the requirements for a fee waiver as provided in subsection (a) and to provide evidence of annual total income in the previous calendar year.

(c) If the Commission ~~Department of Financial and Professional Regulation or the Department of Agriculture~~ determines that an applicant who applied as a Social Equity Applicant is not eligible for such status, the applicant shall be provided an additional 10 days to provide alternative evidence that he or she qualifies as a Social Equity Applicant. Alternatively, the applicant may pay the remainder of the waived fee and be considered as a non-Social Equity Applicant. If the applicant cannot do either, then the Departments may keep the initial application fee and the application shall not be graded.

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

(410 ILCS 705/7-25)

Sec. 7-25. Transfer of license awarded to Qualified Social Equity Applicant.

(a) In the event a Qualified Social Equity Applicant seeks to transfer, sell, or grant a cannabis business establishment license within 5 years after it was issued to a person or entity that does not qualify as a Social Equity Applicant, the transfer agreement shall require the new license holder to pay the Cannabis Business Development Fund an amount equal to:

(1) any fees that were waived by any State agency based on the applicant's status as a Social Equity Applicant, if applicable;

(2) any outstanding amount owed by the Qualified

Social Equity Applicant for a loan through the Cannabis Business Development Fund, if applicable; and

(3) the full amount of any grants that the Qualified Social Equity Applicant received from the Department of Commerce and Economic Opportunity, if applicable.

(b) Transfers of cannabis business establishment licenses awarded to a Social Equity Applicant are subject to all other provisions of this Act~~, the Compassionate Use of Medical Cannabis Program Act, and rules regarding transfers~~.

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

(410 ILCS 705/7-30)

Sec. 7-30. Reporting. By January 1, 2021, and on January 1 of every year thereafter, or upon request by the Illinois Cannabis Regulation Oversight Officer, each cannabis business establishment licensed under this Act ~~and the Compassionate Use of Medical Cannabis Program Act~~ shall report to the Illinois Cannabis Regulation Oversight Officer, on a form to be provided by the Illinois Cannabis Regulation Oversight Officer, information that will allow it to assess the extent of diversity in the medical and adult use cannabis industry and methods for reducing or eliminating any identified barriers to entry, including access to capital. Failure of a cannabis business establishment to respond to the request of the Cannabis Regulation Oversight Officer to complete the form, report, and any other request for information may be

grounds for disciplinary action by the Commission ~~Department of Financial and Professional Regulation or the Department of Agriculture~~. The information to be collected shall be designed to identify the following:

(1) the number and percentage of licenses provided to Social Equity Applicants and to businesses owned by minorities, women, veterans, and people with disabilities;

(2) the total number and percentage of employees in the cannabis industry who meet the criteria in (3)(i) or (3)(ii) in the definition of Social Equity Applicant or who are minorities, women, veterans, or people with disabilities;

(3) the total number and percentage of contractors and subcontractors in the cannabis industry that meet the definition of a Social Equity Applicant or who are owned by minorities, women, veterans, or people with disabilities, if known to the cannabis business establishment; and

(4) recommendations on reducing or eliminating any identified barriers to entry, including access to capital, in the cannabis industry.

(Source: P.A. 101-27, eff. 6-25-19; 102-98, eff. 7-15-21.)

(410 ILCS 705/10-5)

Sec. 10-5. Personal use of cannabis; restrictions on cultivation; penalties.

(a) Beginning January 1, 2020, notwithstanding any other provision of law, and except as otherwise provided in this Act, the following acts are not a violation of this Act and shall not be a criminal or civil offense under State law or the ordinances of any unit of local government of this State or be a basis for seizure or forfeiture of assets under State law for persons other than natural individuals under 21 years of age:

(1) possession, consumption, use, purchase, obtaining, or transporting cannabis paraphernalia or an amount of cannabis for personal use that does not exceed the possession limit under Section 10-10 or otherwise in accordance with the requirements of this Act;

(2) cultivation of cannabis for personal use in accordance with the requirements of this Act; and

(3) controlling property if actions that are authorized by this Act occur on the property in accordance with this Act.

(a-1) Beginning January 1, 2020, notwithstanding any other provision of law, and except as otherwise provided in this Act, possessing, consuming, using, purchasing, obtaining, or transporting cannabis paraphernalia or an amount of cannabis purchased or produced in accordance with this Act that does not exceed the possession limit under subsection (a) of Section 10-10 shall not be a basis for seizure or forfeiture of assets under State law.

(b) Cultivating cannabis for personal use is subject to

the following limitations:

(1) An Illinois resident 21 years of age or older who is a registered qualifying patient under the Compassionate Use of Medical Cannabis Program ~~Act~~ may cultivate cannabis plants, with a limit of 5 plants that are more than 5 inches tall, per household without a cultivation center or craft grower license. In this Section, "resident" means a person who has been domiciled in the State of Illinois for a period of 30 days before cultivation.

(2) Cannabis cultivation must take place in an enclosed, locked space.

(3) Adult registered qualifying patients may purchase cannabis seeds from a dispensary for the purpose of home cultivation. Seeds may not be given or sold to any other person.

(4) Cannabis plants shall not be stored or placed in a location where they are subject to ordinary public view, as defined in this Act. A registered qualifying patient who cultivates cannabis under this Section shall take reasonable precautions to ensure the plants are secure from unauthorized access, including unauthorized access by a person under 21 years of age.

(5) Cannabis cultivation may occur only on residential property lawfully in possession of the cultivator or with the consent of the person in lawful possession of the property. An owner or lessor of residential property may

prohibit the cultivation of cannabis by a lessee.

(6) (Blank).

(7) A dwelling, residence, apartment, condominium unit, enclosed, locked space, or piece of property not divided into multiple dwelling units shall not contain more than 5 plants at any one time.

(8) Cannabis plants may only be tended by registered qualifying patients who reside at the residence, or their authorized agent attending to the residence for brief periods, such as when the qualifying patient is temporarily away from the residence.

(9) A registered qualifying patient who cultivates more than the allowable number of cannabis plants, or who sells or gives away cannabis plants, cannabis, or cannabis-infused products produced under this Section, is liable for penalties as provided by law, including the Cannabis Control Act, in addition to loss of home cultivation privileges as established by rule.

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

(410 ILCS 705/10-10)

Sec. 10-10. Possession limit.

(a) Except if otherwise authorized by this Act, for a person who is 21 years of age or older and a resident of this State, the possession limit is as follows:

(1) 30 grams of cannabis flower;

(2) no more than 500 milligrams of THC contained in cannabis-infused product;

(3) 5 grams of cannabis concentrate; and

(4) for registered qualifying patients, any cannabis produced by cannabis plants grown under subsection (b) of Section 10-5, provided any amount of cannabis produced in excess of 30 grams of raw cannabis or its equivalent must remain secured within the residence or residential property in which it was grown.

(b) For a person who is 21 years of age or older and who is not a resident of this State, the possession limit is:

(1) 15 grams of cannabis flower;

(2) 2.5 grams of cannabis concentrate; and

(3) 250 milligrams of THC contained in a cannabis-infused product.

(c) The possession limits found in subsections (a) and (b) of this Section are to be considered cumulative.

(d) No person shall knowingly obtain, seek to obtain, or possess an amount of cannabis from a dispensing organization or craft grower that would cause him or her to exceed the possession limit under this Section, including cannabis that is cultivated by a person under this Act or obtained under the Compassionate Use of Medical Cannabis Program ~~Act~~.

(e) Cannabis and cannabis-derived substances regulated under the Industrial Hemp Act are not covered by this Act.

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

(410 ILCS 705/10-15)

Sec. 10-15. Persons under 21 years of age.

(a) Nothing in this Act is intended to permit the transfer of cannabis, with or without remuneration, to a person under 21 years of age, or to allow a person under 21 years of age to purchase, possess, use, process, transport, grow, or consume cannabis except where authorized by the Compassionate Use of Medical Cannabis Program ~~Act~~ or by the Community College Cannabis Vocational Pilot Program.

(b) Notwithstanding any other provisions of law authorizing the possession of medical cannabis, nothing in this Act authorizes a person who is under 21 years of age to possess cannabis. A person under 21 years of age with cannabis in his or her possession is guilty of a civil law violation as outlined in paragraph (a) of Section 4 of the Cannabis Control Act.

(c) If the person under the age of 21 was in a motor vehicle at the time of the offense, the Secretary of State may suspend or revoke the driving privileges of any person for a violation of this Section under Section 6-206 of the Illinois Vehicle Code and the rules adopted under it.

(d) It is unlawful for any parent or guardian to knowingly permit his or her residence, any other private property under his or her control, or any vehicle, conveyance, or watercraft under his or her control to be used by an invitee of the

parent's child or the guardian's ward, if the invitee is under the age of 21, in a manner that constitutes a violation of this Section. A parent or guardian is deemed to have knowingly permitted his or her residence, any other private property under his or her control, or any vehicle, conveyance, or watercraft under his or her control to be used in violation of this Section if he or she knowingly authorizes or permits consumption of cannabis by underage invitees. Any person who violates this subsection (d) is guilty of a Class A misdemeanor and the person's sentence shall include, but shall not be limited to, a fine of not less than $500. If a violation of this subsection (d) directly or indirectly results in great bodily harm or death to any person, the person violating this subsection is guilty of a Class 4 felony. In this subsection (d), where the residence or other property has an owner and a tenant or lessee, the trier of fact may infer that the residence or other property is occupied only by the tenant or lessee.

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

(410 ILCS 705/10-20)

Sec. 10-20. Identification; false identification; penalty.

(a) To protect personal privacy, the Commission ~~Department of Financial and Professional Regulation~~ shall not require a purchaser to provide a dispensing organization with personal information other than government-issued identification to

determine the purchaser's age, and a dispensing organization shall not obtain and record personal information about a purchaser without the purchaser's consent. A dispensing organization shall use an electronic reader or electronic scanning device to scan a purchaser's government-issued identification, if applicable, to determine the purchaser's age and the validity of the identification. Any identifying or personal information of a purchaser obtained or received in accordance with this Section shall not be retained, used, shared or disclosed for any purpose except as authorized by this Act.

(b) A person who is under 21 years of age may not present or offer to a cannabis business establishment or the cannabis business establishment's principal or employee any written or oral evidence of age that is false, fraudulent, or not actually the person's own, for the purpose of:

(1) purchasing, attempting to purchase, or otherwise obtaining or attempting to obtain cannabis or any cannabis product; or

(2) gaining access to a cannabis business establishment.

(c) A violation of this Section is a Class A misdemeanor consistent with Section 6-20 of the Liquor Control Act of 1934.

(d) The Secretary of State may suspend or revoke the driving privileges of any person for a violation of this

Section under Section 6-206 of the Illinois Vehicle Code and the rules adopted under it.

(e) No agent or employee of the licensee shall be disciplined or discharged for selling or furnishing cannabis or cannabis products to a person under 21 years of age if the agent or employee demanded and was shown, before furnishing cannabis or cannabis products to a person under 21 years of age, adequate written evidence of age and identity of the person. This subsection (e) does not apply if the agent or employee accepted the written evidence knowing it to be false or fraudulent. Adequate written evidence of age and identity of the person is a document issued by a federal, State, county, or municipal government, or subdivision or agency thereof, including, but not limited to, a motor vehicle operator's license, a registration certificate issued under the Military Selective Service Act, or an identification card issued to a member of the Armed Forces. Proof that the licensee or his or her employee or agent was shown and reasonably relied upon such written evidence in any transaction forbidden by this Section is an affirmative defense in any criminal prosecution therefor or to any proceedings for the suspension or revocation of any license based thereon.

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

(410 ILCS 705/10-35)

Sec. 10-35. Limitations and penalties.

(a) This Act does not permit any person to engage in, and does not prevent the imposition of any civil, criminal, or other penalties for engaging in, any of the following conduct:

(1) undertaking any task under the influence of cannabis when doing so would constitute negligence, professional malpractice, or professional misconduct;

(2) possessing cannabis:

(A) in a school bus, unless permitted for a qualifying patient or caregiver pursuant to the Compassionate Use of Medical Cannabis Program ~~Act~~;

(B) on the grounds of any preschool or primary or secondary school, unless permitted for a qualifying patient or caregiver pursuant to the Compassionate Use of Medical Cannabis Program ~~Act~~;

(C) in any correctional facility;

(D) in a vehicle not open to the public unless the cannabis is in a reasonably secured, sealed or resealable container and reasonably inaccessible while the vehicle is moving; or

(E) in a private residence that is used at any time to provide licensed child care or other similar social service care on the premises;

(3) using cannabis:

(A) in a school bus, unless permitted for a qualifying patient or caregiver pursuant to the Compassionate Use of Medical Cannabis Program ~~Act~~;

(B) on the grounds of any preschool or primary or secondary school, unless permitted for a qualifying patient or caregiver pursuant to the Compassionate Use of Medical Cannabis Program ~~Act~~;

(C) in any correctional facility;

(D) in any motor vehicle;

(E) in a private residence that is used at any time to provide licensed child care or other similar social service care on the premises;

(F) in any public place; or

(G) knowingly in close physical proximity to anyone under 21 years of age who is not a registered medical cannabis patient under the Compassionate Use of Medical Cannabis Program ~~Act~~;

(4) smoking cannabis in any place where smoking is prohibited under the Smoke Free Illinois Act;

(5) operating, navigating, or being in actual physical control of any motor vehicle, aircraft, watercraft, or snowmobile while using or under the influence of cannabis in violation of Section 11-501 or 11-502.1 of the Illinois Vehicle Code, Section 5-16 of the Boat Registration and Safety Act, or Section 5-7 of the Snowmobile Registration and Safety Act;

(6) facilitating the use of cannabis by any person who is not allowed to use cannabis under this Act ~~or the Compassionate Use of Medical Cannabis Program Act~~;

(7) transferring cannabis to any person contrary to this Act ~~or the Compassionate Use of Medical Cannabis Program Act~~;

(8) the use of cannabis by a law enforcement officer, corrections officer, probation officer, or firefighter while on duty; nothing in this Act prevents a public employer of law enforcement officers, corrections officers, probation officers, paramedics, or firefighters from prohibiting or taking disciplinary action for the consumption, possession, sales, purchase, or delivery of cannabis or cannabis-infused substances while on or off duty, unless provided for in the employer's policies. However, an employer may not take adverse employment action against an employee based solely on the lawful possession or consumption of cannabis or cannabis-infused substances by members of the employee's household. To the extent that this Section conflicts with any applicable collective bargaining agreement, the provisions of the collective bargaining agreement shall prevail. Further, nothing in this Act shall be construed to limit in any way the right to collectively bargain over the subject matters contained in this Act; or

(9) the use of cannabis by a person who has a school bus permit or a Commercial Driver's License while on duty.

As used in this Section, "public place" means any place where a person could reasonably be expected to be observed by

others. "Public place" includes all parts of buildings owned in whole or in part, or leased, by the State or a unit of local government. "Public place" includes all areas in a park, recreation area, wildlife area, or playground owned in whole or in part, leased, or managed by the State or a unit of local government. "Public place" does not include a private residence unless the private residence is used to provide licensed child care, foster care, or other similar social service care on the premises.

(b) Nothing in this Act shall be construed to prevent the arrest or prosecution of a person for reckless driving or driving under the influence of cannabis, operating a watercraft under the influence of cannabis, or operating a snowmobile under the influence of cannabis if probable cause exists.

(c) Nothing in this Act shall prevent a private business from restricting or prohibiting the use of cannabis on its property, including areas where motor vehicles are parked.

(d) Nothing in this Act shall require an individual or business entity to violate the provisions of federal law, including colleges or universities that must abide by the Drug-Free Schools and Communities Act Amendments of 1989, that require campuses to be drug free.

(Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 102-98, eff. 7-15-21.)

(410 ILCS 705/10-40)

Sec. 10-40. Restore, Reinvest, and Renew Program.

(a) The General Assembly finds that in order to address the disparities described below, aggressive approaches and targeted resources to support local design and control of community-based responses to these outcomes are required. To carry out this intent, the Restore, Reinvest, and Renew (R3) Program is created for the following purposes:

(1) to directly address the impact of economic disinvestment, violence, and the historical overuse of criminal justice responses to community and individual needs by providing resources to support local design and control of community-based responses to these impacts;

(2) to substantially reduce both the total amount of gun violence and concentrated poverty in this State;

(3) to protect communities from gun violence through targeted investments and intervention programs, including economic growth and improving family violence prevention, community trauma treatment rates, gun injury victim services, and public health prevention activities;

(4) to promote employment infrastructure and capacity building related to the social determinants of health in the eligible community areas.

(b) In this Section, "Authority" means the Illinois Criminal Justice Information Authority in coordination with the Justice, Equity, and Opportunity Initiative of the

Lieutenant Governor's Office.

(c) Eligibility of R3 Areas. Within 180 days after the effective date of this Act, the Authority shall identify as eligible, areas in this State by way of historically recognized geographic boundaries, to be designated by the Restore, Reinvest, and Renew Program Board as R3 Areas and therefore eligible to apply for R3 funding. Local groups within R3 Areas will be eligible to apply for State funding through the Restore, Reinvest, and Renew Program Board. Qualifications for designation as an R3 Area are as follows:

(1) Based on an analysis of data, communities in this State that are high need, underserved, disproportionately impacted by historical economic disinvestment, and ravaged by violence as indicated by the highest rates of gun injury, unemployment, child poverty rates, and commitments to and returns from the Illinois Department of Corrections.

(2) The Authority shall send to the Legislative Audit Commission and make publicly available its analysis and identification of eligible R3 Areas and shall recalculate the eligibility data every 4 years. On an annual basis, the Authority shall analyze data and indicate if data covering any R3 Area or portion of an Area has, for 4 consecutive years, substantially deviated from the average of statewide data on which the original calculation was made to determine the Areas, including disinvestment,

violence, gun injury, unemployment, child poverty rates, or commitments to or returns from the Illinois Department of Corrections.

(d) The Restore, Reinvest, and Renew Program Board shall encourage collaborative partnerships within each R3 Area to minimize multiple partnerships per Area.

(e) The Restore, Reinvest, and Renew Program Board is created and shall reflect the diversity of the State of Illinois, including geographic, racial, and ethnic diversity. Using the data provided by the Authority, the Restore, Reinvest, and Renew Program Board shall be responsible for designating the R3 Area boundaries and for the selection and oversight of R3 Area grantees. The Restore, Reinvest, and Renew Program Board ex officio members shall, within 4 months after the effective date of this Act, convene the Board to appoint a full Restore, Reinvest, and Renew Program Board and oversee, provide guidance to, and develop an administrative structure for the R3 Program.

(1) The ex officio members are:

(A) The Lieutenant Governor, or his or her designee, who shall serve as chair.

(B) The Attorney General, or his or her designee.

(C) The Director of Commerce and Economic Opportunity, or his or her designee.

(D) The Director of Public Health, or his or

her designee.

(E) The Director of Corrections, or his or her designee.

(F) The Director of Juvenile Justice, or his or her designee.

(G) The Director of Children and Family Services, or his or her designee.

(H) The Executive Director of the Illinois Criminal Justice Information Authority, or his or her designee.

(I) The Director of Employment Security, or his or her designee.

(J) The Secretary of Human Services, or his or her designee.

(K) A member of the Senate, designated by the President of the Senate.

(L) A member of the House of Representatives, designated by the Speaker of the House of Representatives.

(M) A member of the Senate, designated by the Minority Leader of the Senate.

(N) A member of the House of Representatives, designated by the Minority Leader of the House of Representatives.

(2) Within 90 days after the R3 Areas have been designated by the Restore, Reinvest, and Renew Program

Board, the following members shall be appointed to the Board by the R3 board chair:

(A) Eight public officials of municipal geographic jurisdictions in the State that include an R3 Area, or their designees;

(B) Four community-based providers or community development organization representatives who provide services to treat violence and address the social determinants of health, or promote community investment, including, but not limited to, services such as job placement and training, educational services, workforce development programming, and wealth building. The community-based organization representatives shall work primarily in jurisdictions that include an R3 Area and no more than 2 representatives shall work primarily in Cook County. At least one of the community-based providers shall have expertise in providing services to an immigrant population;

(C) Two experts in the field of violence reduction;

(D) One male who has previously been incarcerated and is over the age of 24 at the time of appointment;

(E) One female who has previously been incarcerated and is over the age of 24 at the time of appointment;

(F) Two individuals who have previously been incarcerated and are between the ages of 17 and 24 at the time of appointment; and

(G) Eight individuals who live or work in an R3 Area.

As used in this paragraph (2), "an individual who has been previously incarcerated" means a person who has been convicted of or pled guilty to one or more felonies, who was sentenced to a term of imprisonment, and who has completed his or her sentence. Board members shall serve without compensation and may be reimbursed for reasonable expenses incurred in the performance of their duties from funds appropriated for that purpose. Once all its members have been appointed as outlined in items (A) through (F) of this paragraph (2), the Board may exercise any power, perform any function, take any action, or do anything in furtherance of its purposes and goals upon the appointment of a quorum of its members. The Board terms of the non-ex officio and General Assembly Board members shall end 4 years from the date of appointment. The R3 board chair may remove an individual appointed to the Board who does not regularly attend Board meetings, based on criteria approved by the Board.

(f) Within 12 months after the effective date of this Act, the Board shall:

(1) develop a process to solicit applications from

eligible R3 Areas;

(2) develop a standard template for both planning and implementation activities to be submitted by R3 Areas to the State;

(3) identify resources sufficient to support the full administration and evaluation of the R3 Program, including building and sustaining core program capacity at the community and State levels;

(4) review R3 Area grant applications and proposed agreements and approve the distribution of resources;

(5) develop a performance measurement system that focuses on positive outcomes;

(6) develop a process to support ongoing monitoring and evaluation of R3 programs; and

(7) deliver an annual report to the General Assembly and to the Governor to be posted on the Governor's Office and General Assembly websites and provide to the public an annual report on its progress.

(g) R3 Area grants.

(1) Grant funds shall be awarded by the Illinois Criminal Justice Information Authority, in coordination with the R3 board, based on the likelihood that the plan will achieve the outcomes outlined in subsection (a) and consistent with the requirements of the Grant Accountability and Transparency Act<u>, but compliance with the Grant Accountability and Transparency Act is not a</u>

necessary prerequisite for an organization to receive funds. The R3 Program shall also facilitate the provision of training and technical assistance for capacity building within and among R3 Areas.

(2) R3 Program Board grants shall be used to address economic development, violence prevention services, re-entry services, youth development, and civil legal aid.

(3) The Restore, Reinvest, and Renew Program Board and the R3 Area grantees shall, within a period of no more than 120 days from the completion of planning activities described in this Section, finalize an agreement on the plan for implementation. Implementation activities may:

(A) have a basis in evidence or best practice research or have evaluations demonstrating the capacity to address the purpose of the program in subsection (a);

(B) collect data from the inception of planning activities through implementation, with data collection technical assistance when needed, including cost data and data related to identified meaningful short-term, mid-term, and long-term goals and metrics;

(C) report data to the Restore, Reinvest, and Renew Program Board biannually; and

(D) report information as requested by the R3 Program Board.

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

102-98, eff. 7-15-21.)

(410 ILCS 705/10-45)

Sec. 10-45. Cannabis Equity Commission.

~~(a)~~ The Cannabis Equity Commission is created and shall reflect the diversity of the State of Illinois, including geographic, racial, and ethnic diversity. The Cannabis Equity Commission shall serve as an advisory board to the Cannabis Equity and Oversight Commission. ~~be responsible for the following:~~

~~(1) Ensuring that equity goals in the Illinois cannabis industry, as stated in Section 10-40, are met.~~

~~(2) Tracking and analyzing minorities in the marketplace.~~

~~(3) Ensuring that revenue is being invested properly into R3 areas under Section 10-40.~~

~~(4) Recommending changes to make the law more equitable to communities harmed the most by the war on drugs.~~

~~(5) Create standards to protect true social equity applicants from predatory businesses.~~

(b) The Cannabis Equity Commission's ex officio members shall, within 4 months after the effective date of this amendatory Act of the 101st General Assembly, convene the Commission to appoint a full Cannabis Equity Commission and oversee, provide guidance to, and develop an administrative

structure for the Cannabis Equity Commission. The ex officio members are:

(1) The Governor, or his or her designee, who shall serve as chair.

(2) The Attorney General, or his or her designee.

(3) The Director of Commerce and Economic Opportunity, or his or her designee.

(4) The Director of Public Health, or his or her designee.

(5) The Director of Corrections, or his or her designee.

(6) The Director of Financial and Professional Regulation, or his or her designee.

(7) The Director of Agriculture, or his or her designee.

(8) The Executive Director of the Illinois Criminal Justice Information Authority, or his or her designee.

(9) The Secretary of Human Services, or his or her designee.

(10) A member of the Senate, designated by the President of the Senate.

(11) A member of the House of Representatives, designated by the Speaker of the House of Representatives.

(12) A member of the Senate, designated by the Minority Leader of the Senate.

(13) A member of the House of Representatives,

designated by the Minority Leader of the House of Representatives.

(c) Within 90 days after the ex officio members convene, the following members shall be appointed to the Commission by the chair:

(1) Four community-based providers or community development organization representatives who provide services to treat violence and address the social determinants of health, or promote community investment, including, but not limited to, services such as job placement and training, educational services, workforce development programming, and wealth building. No more than 2 community-based organization representatives shall work primarily in Cook County. At least one of the community-based providers shall have expertise in providing services to an immigrant population.

(2) Two experts in the field of violence reduction.

(3) One male who has previously been incarcerated and is over the age of 24 at the time of appointment.

(4) One female who has previously been incarcerated and is over the age of 24 at the time of appointment.

(5) Two individuals who have previously been incarcerated and are between the ages of 17 and 24 at the time of appointment.

As used in this subsection (c), "an individual who has been previously incarcerated" has the same meaning as defined

in paragraph (2) of subsection (e) of Section 10-40.

(Source: P.A. 101-658, eff. 3-23-21.)

(410 ILCS 705/10-50)

Sec. 10-50. Employment; employer liability.

(a) Nothing in this Act shall prohibit an employer from adopting reasonable zero tolerance or drug free workplace policies, or employment policies concerning drug testing, smoking, consumption, storage, or use of cannabis in the workplace or while on call provided that the policy is applied in a nondiscriminatory manner.

(b) Nothing in this Act shall require an employer to permit an employee to be under the influence of or use cannabis in the employer's workplace or while performing the employee's job duties or while on call.

(c) Nothing in this Act shall limit or prevent an employer from disciplining an employee or terminating employment of an employee for violating an employer's employment policies or workplace drug policy.

(d) An employer may consider an employee to be impaired or under the influence of cannabis if the employer has a good faith belief that an employee manifests specific, articulable symptoms while working that decrease or lessen the employee's performance of the duties or tasks of the employee's job position, including symptoms of the employee's speech, physical dexterity, agility, coordination, demeanor,

irrational or unusual behavior, or negligence or carelessness in operating equipment or machinery; disregard for the safety of the employee or others, or involvement in any accident that results in serious damage to equipment or property; disruption of a production or manufacturing process; or carelessness that results in any injury to the employee or others. If an employer elects to discipline an employee on the basis that the employee is under the influence or impaired by cannabis, the employer must afford the employee a reasonable opportunity to contest the basis of the determination.

(e) Nothing in this Act shall be construed to create or imply a cause of action for any person against an employer for:

(1) actions taken pursuant to an employer's reasonable workplace drug policy, including but not limited to subjecting an employee or applicant to reasonable drug and alcohol testing, reasonable and nondiscriminatory random drug testing, and discipline, termination of employment, or withdrawal of a job offer due to a failure of a drug test;

(2) actions based on the employer's good faith belief that an employee used or possessed cannabis in the employer's workplace or while performing the employee's job duties or while on call in violation of the employer's employment policies;

(3) actions, including discipline or termination of employment, based on the employer's good faith belief that

an employee was impaired as a result of the use of cannabis, or under the influence of cannabis, while at the employer's workplace or while performing the employee's job duties or while on call in violation of the employer's workplace drug policy; or

(4) injury, loss, or liability to a third party if the employer neither knew nor had reason to know that the employee was impaired.

(f) Nothing in this Act shall be construed to enhance or diminish protections afforded by any other law, including but not limited to the Compassionate Use of Medical Cannabis Program ~~Act~~ or the Opioid Alternative Pilot Program.

(g) Nothing in this Act shall be construed to interfere with any federal, State, or local restrictions on employment including, but not limited to, the United States Department of Transportation regulation 49 CFR 40.151(e) or impact an employer's ability to comply with federal or State law or cause it to lose a federal or State contract or funding.

(h) As used in this Section, "workplace" means the employer's premises, including any building, real property, and parking area under the control of the employer or area used by an employee while in the performance of the employee's job duties, and vehicles, whether leased, rented, or owned. "Workplace" may be further defined by the employer's written employment policy, provided that the policy is consistent with this Section.

(i) For purposes of this Section, an employee is deemed "on call" when such employee is scheduled with at least 24 hours' notice by his or her employer to be on standby or otherwise responsible for performing tasks related to his or her employment either at the employer's premises or other previously designated location by his or her employer or supervisor to perform a work-related task.

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

(410 ILCS 705/15-5)

Sec. 15-5. Authority.

(a) In this Article: ~~,~~

"Commission" means the Cannabis Equity and Oversight Commission.

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

(b) It is the duty of the Commission ~~Department~~ to administer and enforce the provisions of this Act relating to the licensure and oversight of dispensing organizations and dispensing organization agents unless otherwise provided in this Act.

(c) No person shall operate a dispensing organization for the purpose of serving purchasers of cannabis or cannabis products without a license issued under this Article by the Commission ~~Department~~. No person shall be an officer, director, manager, or employee of a dispensing organization

without having been issued a dispensing organization agent card by the Commission ~~Department~~.

(d) Subject to the provisions of this Act, the Commission ~~Department~~ may exercise the following powers and duties:

(1) Prescribe forms to be issued for the administration and enforcement of this Article.

(2) Examine, inspect, and investigate the premises, operations, and records of dispensing organization applicants and licensees.

(3) Conduct investigations of possible violations of this Act pertaining to dispensing organizations and dispensing organization agents.

(4) Conduct hearings on proceedings to refuse to issue or renew licenses or to revoke, suspend, place on probation, reprimand, or otherwise discipline a license under this Article or take other nondisciplinary action.

(5) Adopt rules required for the administration of this Article.

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

(410 ILCS 705/15-15)

Sec. 15-15. Early Approval Adult Use Dispensing Organization License.

(a) Any medical cannabis dispensing organization holding a valid registration under the Compassionate Use of Medical Cannabis Program ~~Act~~ as of the effective date of this Act may,

within 60 days of the effective date of this Act, apply to the Commission ~~Department~~ for an Early Approval Adult Use Dispensing Organization License to serve purchasers at any medical cannabis dispensing location in operation on the effective date of this Act, pursuant to this Section.

(b) A medical cannabis dispensing organization seeking issuance of an Early Approval Adult Use Dispensing Organization License to serve purchasers at any medical cannabis dispensing location in operation as of the effective date of this Act shall submit an application on forms provided by the Commission ~~Department~~. The application must be submitted by the same person or entity that holds the medical cannabis dispensing organization registration and include the following:

(1) Payment of a nonrefundable fee of $30,000 to be deposited into the Cannabis Regulation Fund;

(2) Proof of registration as a medical cannabis dispensing organization that is in good standing;

(3) Certification that the applicant will comply with the requirements contained in the Compassionate Use of Medical Cannabis Program ~~Act~~ except as provided in this Act;

(4) The legal name of the dispensing organization;

(5) The physical address of the dispensing organization;

(6) The name, address, social security number, and

date of birth of each principal officer and board member of the dispensing organization, each of whom must be at least 21 years of age;

(7) A nonrefundable Cannabis Business Development Fee equal to 3% of the dispensing organization's total sales between June 1, 2018 to June 1, 2019, or $100,000, whichever is less, to be deposited into the Cannabis Business Development Fund; and

(8) Identification of one of the following Social Equity Inclusion Plans to be completed by March 31, 2021:

(A) Make a contribution of 3% of total sales from June 1, 2018 to June 1, 2019, or $100,000, whichever is less, to the Cannabis Business Development Fund. This is in addition to the fee required by item (7) of this subsection (b);

(B) Make a grant of 3% of total sales from June 1, 2018 to June 1, 2019, or $100,000, whichever is less, to a cannabis industry training or education program at an Illinois community college as defined in the Public Community College Act;

(C) Make a donation of $100,000 or more to a program that provides job training services to persons recently incarcerated or that operates in a Disproportionately Impacted Area;

(D) Participate as a host in a cannabis business establishment incubator program approved by the

Department of Commerce and Economic Opportunity, and in which an Early Approval Adult Use Dispensing Organization License holder agrees to provide a loan of at least $100,000 and mentorship to incubate, for at least a year, a Social Equity Applicant intending to seek a license or a licensee that qualifies as a Social Equity Applicant. As used in this Section, "incubate" means providing direct financial assistance and training necessary to engage in licensed cannabis industry activity similar to that of the host licensee. The Early Approval Adult Use Dispensing Organization License holder or the same entity holding any other licenses issued pursuant to this Act shall not take an ownership stake of greater than 10% in any business receiving incubation services to comply with this subsection. If an Early Approval Adult Use Dispensing Organization License holder fails to find a business to incubate to comply with this subsection before its Early Approval Adult Use Dispensing Organization License expires, it may opt to meet the requirement of this subsection by completing another item from this subsection; or

(E) Participate in a sponsorship program for at least 2 years approved by the Department of Commerce and Economic Opportunity in which an Early Approval Adult Use Dispensing Organization License holder

agrees to provide an interest-free loan of at least $200,000 to a Social Equity Applicant. The sponsor shall not take an ownership stake in any cannabis business establishment receiving sponsorship services to comply with this subsection.

(b-5) Beginning 90 days after the effective date of this amendatory Act of the 102nd General Assembly, an Early Approval Adult Use Dispensing Organization licensee whose license was issued pursuant to this Section may apply to relocate within the same geographic district where its existing associated medical cannabis dispensing organization dispensary licensed under the Compassionate Use of Medical Cannabis ~~Act~~ is authorized to operate. A request to relocate under this subsection is subject to approval by the Commission ~~Department~~. An Early Approval Adult Use Dispensing Organization's application to relocate its license under this subsection shall be deemed approved 30 days following the submission of a complete application to relocate, unless sooner approved or denied in writing by the Commission ~~Department~~. If an application to relocate is denied, the Commission ~~Department~~ shall provide, in writing, the specific reason for denial.

An Early Approval Adult Use Dispensing Organization may request to relocate under this subsection if:

(1) its existing location is within the boundaries of a unit of local government that prohibits the sale of

adult use cannabis; or

(2) the Early Approval Adult Use Dispensing Organization has obtained the approval of the municipality or, if outside the boundaries of a municipality in an unincorporated area of the county, the approval of the county where the existing license is located to move to another location within that unit of local government.

At no time may an Early Approval Adult Use Dispensing Organization dispensary licensed under this Section operate in a separate facility from its associated medical cannabis dispensing organization dispensary licensed under the Compassionate Use of Medical Cannabis ~~Act~~. The relocation of an Early Approval Adult Use Dispensing Organization License under this subsection shall be subject to Sections 55-25 and 55-28 of this Act.

(c) The license fee required by paragraph (1) of subsection (b) of this Section shall be in addition to any license fee required for the renewal of a registered medical cannabis dispensing organization license.

(d) Applicants must submit all required information, including the requirements in subsection (b) of this Section, to the Commission ~~Department~~. Failure by an applicant to submit all required information may result in the application being disqualified.

(e) If the Commission ~~Department~~ receives an application that fails to provide the required elements contained in

subsection (b), the Commission ~~Department~~ shall issue a deficiency notice to the applicant. The applicant shall have 10 calendar days from the date of the deficiency notice to submit complete information. Applications that are still incomplete after this opportunity to cure may be disqualified.

(f) If an applicant meets all the requirements of subsection (b) of this Section, the Commission ~~Department~~ shall issue the Early Approval Adult Use Dispensing Organization License within 14 days of receiving a completed application unless:

(1) The licensee or a principal officer is delinquent in filing any required tax returns or paying any amounts owed to the State of Illinois;

(2) The Commission ~~Secretary of Financial and Professional Regulation~~ determines there is reason, based on documented compliance violations, the licensee is not entitled to an Early Approval Adult Use Dispensing Organization License; or

(3) Any principal officer fails to register and remain in compliance with this Act or the Compassionate Use of Medical Cannabis Program ~~Act~~.

(g) A registered medical cannabis dispensing organization that obtains an Early Approval Adult Use Dispensing Organization License may begin selling cannabis, cannabis-infused products, paraphernalia, and related items to purchasers under the rules of this Act no sooner than January

1, 2020.

(h) A dispensing organization holding a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Program ~~Act~~ must maintain an adequate supply of cannabis and cannabis-infused products for purchase by qualifying patients, caregivers, provisional patients, and Opioid Alternative Pilot Program participants. For the purposes of this subsection, "adequate supply" means a monthly inventory level that is comparable in type and quantity to those medical cannabis products provided to patients and caregivers on an average monthly basis for the 6 months before the effective date of this Act.

(i) If there is a shortage of cannabis or cannabis-infused products, a dispensing organization holding both a dispensing organization license under the Compassionate Use of Medical Cannabis Program ~~Act~~ and this Act shall prioritize serving qualifying patients, caregivers, provisional patients, and Opioid Alternative Pilot Program participants before serving purchasers.

(j) Notwithstanding any law or rule to the contrary, a person that holds a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Program ~~Act~~ and an Early Approval Adult Use Dispensing Organization License may permit purchasers into a limited access area as that term is defined in administrative rules made under the authority in the Compassionate Use of Medical

Cannabis Program ~~Act~~.

(k) An Early Approval Adult Use Dispensing Organization License is valid until March 31, 2021. A dispensing organization that obtains an Early Approval Adult Use Dispensing Organization License shall receive written or electronic notice 90 days before the expiration of the license that the license will expire, and that informs the license holder that it may apply to renew its Early Approval Adult Use Dispensing Organization License on forms provided by the Commission ~~Department~~. The Commission ~~Department~~ shall renew the Early Approval Adult Use Dispensing Organization License within 60 days of the renewal application being deemed complete if:

(1) the dispensing organization submits an application and the required nonrefundable renewal fee of $30,000, to be deposited into the Cannabis Regulation Fund;

(2) the Commission ~~Department~~ has not suspended or permanently revoked the Early Approval Adult Use Dispensing Organization License or a medical cannabis dispensing organization license on the same premises for violations of this Act, the Compassionate Use of Medical Cannabis Program ~~Act~~, or rules adopted pursuant to those Acts;

(3) the dispensing organization has completed a Social Equity Inclusion Plan as provided by parts (A), (B), and (C) of paragraph (8) of subsection (b) of this Section or

has made substantial progress toward completing a Social Equity Inclusion Plan as provided by parts (D) and (E) of paragraph (8) of subsection (b) of this Section; and

(4) the dispensing organization is in compliance with this Act and rules.

(l) The Early Approval Adult Use Dispensing Organization License renewed pursuant to subsection (k) of this Section shall expire March 31, 2022. The Early Approval Adult Use Dispensing Organization Licensee shall receive written or electronic notice 90 days before the expiration of the license that the license will expire, and that informs the license holder that it may apply for an Adult Use Dispensing Organization License on forms provided by the Commission ~~Department~~. The Commission ~~Department~~ shall grant an Adult Use Dispensing Organization License within 60 days of an application being deemed complete if the applicant has met all of the criteria in Section 15-36.

(m) If a dispensing organization fails to submit an application for renewal of an Early Approval Adult Use Dispensing Organization License or for an Adult Use Dispensing Organization License before the expiration dates provided in subsections (k) and (l) of this Section, the dispensing organization shall cease serving purchasers and cease all operations until it receives a renewal or an Adult Use Dispensing Organization License, as the case may be.

(n) A dispensing organization agent who holds a valid

dispensing organization agent identification card issued under the Compassionate Use of Medical Cannabis Program ~~Act~~ and is an officer, director, manager, or employee of the dispensing organization licensed under this Section may engage in all activities authorized by this Article to be performed by a dispensing organization agent.

(o) If the Commission ~~Department~~ suspends, permanently revokes, or otherwise disciplines the Early Approval Adult Use Dispensing Organization License of a dispensing organization that also holds a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Program ~~Act~~, the Commission ~~Department~~ may consider the suspension, permanent revocation, or other discipline of the medical cannabis dispensing organization license.

(p) All fees collected pursuant to this Section shall be deposited into the Cannabis Regulation Fund, unless otherwise specified.

(Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 102-98, eff. 7-15-21.)

(410 ILCS 705/15-20)

Sec. 15-20. Early Approval Adult Use Dispensing Organization License; secondary site.

(a) Any medical cannabis dispensing organization holding a valid registration under the Compassionate Use of Medical Cannabis Program ~~Act~~ as of the effective date of this Act may,

within 60 days of the effective date of this Act, apply to the Commission ~~Department~~ for an Early Approval Adult Use Dispensing Organization License to operate a dispensing organization to serve purchasers at a secondary site not within 1,500 feet of another medical cannabis dispensing organization or adult use dispensing organization. The Early Approval Adult Use Dispensing Organization secondary site shall be within any BLS Region that shares territory with the dispensing organization district to which the medical cannabis dispensing organization is assigned under the administrative rules for dispensing organizations under the Compassionate Use of Medical Cannabis Program ~~Act~~.

(a-5) If, within 360 days of the effective date of this Act, a dispensing organization is unable to find a location within the BLS Regions prescribed in subsection (a) of this Section in which to operate an Early Approval Adult Use Dispensing Organization at a secondary site because no jurisdiction within the prescribed area allows the operation of an Adult Use Cannabis Dispensing Organization, the Commission ~~Department of Financial and Professional Regulation~~ may waive the geographic restrictions of subsection (a) of this Section and specify another BLS Region into which the dispensary may be placed.

(b) (Blank).

(c) A medical cannabis dispensing organization seeking issuance of an Early Approval Adult Use Dispensing

Organization License at a secondary site to serve purchasers at a secondary site as prescribed in subsection (a) of this Section shall submit an application on forms provided by the Commission ~~Department~~. The application must meet or include the following qualifications:

(1) a payment of a nonrefundable application fee of $30,000;

(2) proof of registration as a medical cannabis dispensing organization that is in good standing;

(3) submission of the application by the same person or entity that holds the medical cannabis dispensing organization registration;

(4) the legal name of the medical cannabis dispensing organization;

(5) the physical address of the medical cannabis dispensing organization and the proposed physical address of the secondary site;

(6) a copy of the current local zoning ordinance Sections relevant to dispensary operations and documentation of the approval, the conditional approval or the status of a request for zoning approval from the local zoning office that the proposed dispensary location is in compliance with the local zoning rules;

(7) a plot plan of the dispensary drawn to scale. The applicant shall submit general specifications of the building exterior and interior layout;

(8) a statement that the dispensing organization agrees to respond to the Commission's ~~Department's~~ supplemental requests for information;

(9) for the building or land to be used as the proposed dispensary:

(A) if the property is not owned by the applicant, a written statement from the property owner and landlord, if any, certifying consent that the applicant may operate a dispensary on the premises; or

(B) if the property is owned by the applicant, confirmation of ownership;

(10) a copy of the proposed operating bylaws;

(11) a copy of the proposed business plan that complies with the requirements in this Act, including, at a minimum, the following:

(A) a description of services to be offered; and

(B) a description of the process of dispensing cannabis;

(12) a copy of the proposed security plan that complies with the requirements in this Article, including:

(A) a description of the delivery process by which cannabis will be received from a transporting organization, including receipt of manifests and protocols that will be used to avoid diversion, theft, or loss at the dispensary acceptance point; and

(B) the process or controls that will be

implemented to monitor the dispensary, secure the premises, agents, patients, and currency, and prevent the diversion, theft, or loss of cannabis; and

(C) the process to ensure that access to the restricted access areas is restricted to, registered agents, service professionals, transporting organization agents, Commission ~~Department~~ inspectors, and security personnel;

(13) a proposed inventory control plan that complies with this Section;

(14) the name, address, social security number, and date of birth of each principal officer and board member of the dispensing organization; each of those individuals shall be at least 21 years of age;

(15) a nonrefundable Cannabis Business Development Fee equal to $200,000, to be deposited into the Cannabis Business Development Fund; and

(16) a commitment to completing one of the following Social Equity Inclusion Plans in subsection (d).

(d) Before receiving an Early Approval Adult Use Dispensing Organization License at a secondary site, a dispensing organization shall indicate the Social Equity Inclusion Plan that the applicant plans to achieve before the expiration of the Early Approval Adult Use Dispensing Organization License from the list below:

(1) make a contribution of 3% of total sales from June

1, 2018 to June 1, 2019, or $100,000, whichever is less, to the Cannabis Business Development Fund. This is in addition to the fee required by paragraph (16) of subsection (c) of this Section;

(2) make a grant of 3% of total sales from June 1, 2018 to June 1, 2019, or $100,000, whichever is less, to a cannabis industry training or education program at an Illinois community college as defined in the Public Community College Act;

(3) make a donation of $100,000 or more to a program that provides job training services to persons recently incarcerated or that operates in a Disproportionately Impacted Area;

(4) participate as a host in a cannabis business establishment incubator program approved by the Department of Commerce and Economic Opportunity, and in which an Early Approval Adult Use Dispensing Organization License at a secondary site holder agrees to provide a loan of at least $100,000 and mentorship to incubate, for at least a year, a Social Equity Applicant intending to seek a license or a licensee that qualifies as a Social Equity Applicant. In this paragraph (4), "incubate" means providing direct financial assistance and training necessary to engage in licensed cannabis industry activity similar to that of the host licensee. The Early Approval Adult Use Dispensing Organization License holder or the

same entity holding any other licenses issued under this Act shall not take an ownership stake of greater than 10% in any business receiving incubation services to comply with this subsection. If an Early Approval Adult Use Dispensing Organization License at a secondary site holder fails to find a business to incubate in order to comply with this subsection before its Early Approval Adult Use Dispensing Organization License at a secondary site expires, it may opt to meet the requirement of this subsection by completing another item from this subsection before the expiration of its Early Approval Adult Use Dispensing Organization License at a secondary site to avoid a penalty; or

(5) participate in a sponsorship program for at least 2 years approved by the Department of Commerce and Economic Opportunity in which an Early Approval Adult Use Dispensing Organization License at a secondary site holder agrees to provide an interest-free loan of at least $200,000 to a Social Equity Applicant. The sponsor shall not take an ownership stake of greater than 10% in any business receiving sponsorship services to comply with this subsection.

(e) The license fee required by paragraph (1) of subsection (c) of this Section is in addition to any license fee required for the renewal of a registered medical cannabis dispensing organization license.

(f) Applicants must submit all required information, including the requirements in subsection (c) of this Section, to the Commission ~~Department~~. Failure by an applicant to submit all required information may result in the application being disqualified. Principal officers shall not be required to submit to the fingerprint and background check requirements of Section 5-20.

(g) If the Commission ~~Department~~ receives an application that fails to provide the required elements contained in subsection (c), the Commission ~~Department~~ shall issue a deficiency notice to the applicant. The applicant shall have 10 calendar days from the date of the deficiency notice to submit complete information. Applications that are still incomplete after this opportunity to cure may be disqualified.

(h) Once all required information and documents have been submitted, the Commission ~~Department~~ will review the application. The Commission ~~Department~~ may request revisions and retains final approval over dispensary features. Once the application is complete and meets the Commission's ~~Department's~~ approval, the Commission ~~Department~~ shall conditionally approve the license. Final approval is contingent on the build-out and Commission ~~Department~~ inspection.

(i) Upon submission of the Early Approval Adult Use Dispensing Organization at a secondary site application, the applicant shall request an inspection and the Commission

~~Department~~ may inspect the Early Approval Adult Use Dispensing Organization's secondary site to confirm compliance with the application and this Act.

(j) The Commission ~~Department~~ shall only issue an Early Approval Adult Use Dispensing Organization License at a secondary site after the completion of a successful inspection.

(k) If an applicant passes the inspection under this Section, the Commission ~~Department~~ shall issue the Early Approval Adult Use Dispensing Organization License at a secondary site within 10 business days unless:

(1) The licensee, any principal officer or board member of the licensee, or any person having a financial or voting interest of 5% or greater in the licensee is delinquent in filing any required tax returns or paying any amounts owed to the State of Illinois; or

(2) The Commission ~~Secretary of Financial and Professional Regulation~~ determines there is reason, based on documented compliance violations, the licensee is not entitled to an Early Approval Adult Use Dispensing Organization License at its secondary site.

(l) Once the Commission ~~Department~~ has issued a license, the dispensing organization shall notify the Commission ~~Department~~ of the proposed opening date.

(m) A registered medical cannabis dispensing organization that obtains an Early Approval Adult Use Dispensing

Organization License at a secondary site may begin selling cannabis, cannabis-infused products, paraphernalia, and related items to purchasers under the rules of this Act no sooner than January 1, 2020.

(n) If there is a shortage of cannabis or cannabis-infused products, a dispensing organization holding both a dispensing organization license under the Compassionate Use of Medical Cannabis Program ~~Act~~ and this Article shall prioritize serving qualifying patients and caregivers before serving purchasers.

(o) An Early Approval Adult Use Dispensing Organization License at a secondary site is valid until March 31, 2021. A dispensing organization that obtains an Early Approval Adult Use Dispensing Organization License at a secondary site shall receive written or electronic notice 90 days before the expiration of the license that the license will expire, and inform the license holder that it may renew its Early Approval Adult Use Dispensing Organization License at a secondary site. The Commission ~~Department~~ shall renew an Early Approval Adult Use Dispensing Organization License at a secondary site within 60 days of submission of the renewal application being deemed complete if:

(1) the dispensing organization submits an application and the required nonrefundable renewal fee of $30,000, to be deposited into the Cannabis Regulation Fund;

(2) the Commission ~~Department~~ has not suspended or permanently revoked the Early Approval Adult Use

Dispensing Organization License or a medical cannabis dispensing organization license held by the same person or entity for violating this Act or rules adopted under this Act ~~or the Compassionate Use of Medical Cannabis Program Act or rules adopted under that Act~~; and

(3) the dispensing organization has completed a Social Equity Inclusion Plan provided by paragraph (1), (2), or (3) of subsection (d) of this Section or has made substantial progress toward completing a Social Equity Inclusion Plan provided by paragraph (4) or (5) of subsection (d) of this Section.

(p) The Early Approval Adult Use Dispensing Organization Licensee at a secondary site renewed pursuant to subsection (o) shall receive written or electronic notice 90 days before the expiration of the license that the license will expire, and that informs the license holder that it may apply for an Adult Use Dispensing Organization License on forms provided by the Commission ~~Department~~. The Commission ~~Department~~ shall grant an Adult Use Dispensing Organization License within 60 days of an application being deemed complete if the applicant has meet all of the criteria in Section 15-36.

(q) If a dispensing organization fails to submit an application for renewal of an Early Approval Adult Use Dispensing Organization License or for an Adult Use Dispensing Organization License before the expiration dates provided in subsections (o) and (p) of this Section, the dispensing

organization shall cease serving purchasers until it receives a renewal or an Adult Use Dispensing Organization License.

(r) A dispensing organization agent who holds a valid dispensing organization agent identification card issued under the Compassionate Use of Medical Cannabis Program ~~Act~~ and is an officer, director, manager, or employee of the dispensing organization licensed under this Section may engage in all activities authorized by this Article to be performed by a dispensing organization agent.

(s) If the Commission ~~Department~~ suspends, permanently revokes, or otherwise disciplines the Early Approval Adult Use Dispensing Organization License of a dispensing organization that also holds a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Program ~~Act~~, the Commission ~~Department~~ may consider the suspension, permanent revocation, or other discipline as grounds to take disciplinary action against the medical cannabis dispensing organization.

(t) All fees collected pursuant to this Section shall be deposited into the Cannabis Regulation Fund, unless otherwise specified.

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

(410 ILCS 705/15-30.20)

Sec. 15-30.20. Tied Applicant Lottery; additional requirements; timing.

(a) If awarding a license in a Tied Applicant Lottery would result in a Tied Applicant possessing more than 10 Early Approval Adult Use Dispensing Organization Licenses, Early Approval Adult Use Dispensing Organization Licenses at a secondary site, Conditional Adult Use Dispensing Organization Licenses, Adult Use Dispensing Organization Licenses, or any combination thereof, the Tied Applicant must choose which license to abandon pursuant to subsection (d) of Section 15-36 and notify the Commission ~~Department~~ in writing within 5 business days after the date that the Tied Applicant Lottery is conducted.

(b) The Commission ~~Department~~ shall publish the certified results of a Tied Applicant Lottery within 2 business days after the Tied Applicant Lottery is conducted.

(Source: P.A. 102-98, eff. 7-15-21.)

(410 ILCS 705/15-35.10)

Sec. 15-35.10. Social Equity Justice Involved Lottery for Conditional Adult Use Dispensing Organization Licenses.

(a) In addition to any of the licenses issued under Section 15-15, Section 15-20, Section 15-25, Section 15-30.20, or Section 15-35, within 10 business days after the resulting final scores for all scored applications pursuant to Sections 15-25 and 15-30 are released, the Commission ~~Department~~ shall issue up to 55 Conditional Adult Use Dispensing Organization Licenses by lot, pursuant to the application process adopted

under this Section. In order to be eligible to be awarded a Conditional Adult Use Dispensing Organization License by lot, a Dispensary Applicant must be a Qualifying Social Equity Justice Involved Applicant.

The licenses issued under this Section shall be awarded in each BLS Region in the following amounts:

(1) Bloomington: 1.

(2) Cape Girardeau: 1.

(3) Carbondale-Marion: 1.

(4) Champaign-Urbana: 1.

(5) Chicago-Naperville-Elgin: 36.

(6) Danville: 1.

(7) Davenport-Moline-Rock Island: 1.

(8) Decatur: 1.

(9) Kankakee: 1.

(10) Peoria: 2.

(11) Rockford: 1.

(12) St. Louis: 3.

(13) Springfield: 1.

(14) Northwest Illinois nonmetropolitan: 1.

(15) West Central Illinois nonmetropolitan: 1.

(16) East Central Illinois nonmetropolitan: 1.

(17) South Illinois nonmetropolitan: 1.

(a-5) Prior to issuing licenses under subsection (a), the Commission ~~Department~~ may adopt rules through emergency rulemaking in accordance with subsection (kk) of Section 5-45

of the Illinois Administrative Procedure Act. The General Assembly finds that the adoption of rules to regulate cannabis use is deemed an emergency and necessary for the public interest, safety, and welfare.

(b) The Commission ~~Department~~ shall distribute the available licenses established under this Section subject to the following:

(1) The drawing by lot for all available licenses established under this Section shall occur on the same day when practicable.

(2) Within each BLS Region, the first Qualifying Social Equity Justice Involved Applicant drawn will have the first right to an available license. The second Qualifying Social Equity Justice Involved Applicant drawn will have the second right to an available license. The same pattern will continue for each subsequent applicant drawn.

(3) The process for distributing available licenses under this Section shall be recorded by the Commission ~~Department~~ in a format selected by the Commission ~~Department~~.

(4) A Dispensary Applicant is prohibited from becoming a Qualifying Social Equity Justice Involved Applicant if a principal officer resigns after the resulting final scores for all scored applications pursuant to Sections 15-25 and 15-30 are released.

(5) No Qualifying Social Equity Justice Involved Applicant may be awarded more than 2 Conditional Adult Use Dispensing Organization Licenses at the conclusion of a lottery conducted under this Section.

(6) No individual may be listed as a principal officer of more than 2 Conditional Adult Use Dispensing Organization Licenses awarded under this Section.

(7) If, upon being selected for an available license established under this Section, a Qualifying Social Equity Justice Involved Applicant exceeds the limits under paragraph (5) or (6), the Qualifying Social Equity Justice Involved Applicant must choose which license to abandon and notify the Commission ~~Department~~ in writing within 5 business days on forms prescribed by the Commission ~~Department~~. If the Qualifying Social Equity Justice Involved Applicant does not notify the Commission ~~Department~~ as required, the Commission ~~Department~~ shall refuse to issue the Qualifying Social Equity Justice Involved Applicant all available licenses established under this Section obtained by lot in all BLS Regions.

(8) If, upon being selected for an available license established under this Section, a Qualifying Social Equity Justice Involved Applicant has a principal officer who is a principal officer in more than 10 Early Approval Adult Use Dispensing Organization Licenses, Conditional Adult Use Dispensing Organization Licenses, Adult Use Dispensing

Organization Licenses, or any combination thereof, the licensees and the Qualifying Social Equity Justice Involved Applicant listing that principal officer must choose which license to abandon pursuant to subsection (d) of Section 15-36 and notify the Commission ~~Department~~ in writing within 5 business days on forms prescribed by the Commission ~~Department~~. If the Dispensary Applicant or licensees do not notify the Commission ~~Department~~ as required, the Commission ~~Department~~ shall refuse to issue the Qualifying Social Equity Justice Involved Applicant all available licenses established under this Section obtained by lot in all BLS Regions.

(9) All available licenses that have been abandoned under paragraph (7) or (8) shall be distributed to the next Qualifying Social Equity Justice Involved Applicant drawn by lot.

Any and all rights conferred or obtained under this subsection shall be limited to the provisions of this subsection.

(c) An applicant who receives a Conditional Adult Use Dispensing Organization License under this Section has 180 days from the date of the award to identify a physical location for the dispensing organization's retail storefront. The applicant shall provide evidence that the location is not within 1,500 feet of an existing dispensing organization, unless the applicant is a Social Equity Applicant or Social

Equity Justice Involved Applicant located or seeking to locate within 1,500 feet of a dispensing organization licensed under Section 15-15 or Section 15-20. If an applicant is unable to find a suitable physical address in the opinion of the Commission ~~Department~~ within 180 days from the issuance of the Conditional Adult Use Dispensing Organization License, the Commission ~~Department~~ may extend the period for finding a physical address another 180 days if the Conditional Adult Use Dispensing Organization License holder demonstrates a concrete attempt to secure a location and a hardship. If the Commission ~~Department~~ denies the extension or the Conditional Adult Use Dispensing Organization License holder is unable to find a location or become operational within 360 days of being awarded a Conditional Adult Use Dispensing Organization License under this Section, the Commission ~~Department~~ shall rescind the Conditional Adult Use Dispensing Organization License and award it pursuant to subsection (b) and notify the new awardee at the email address provided in the awardee's application, provided the applicant receiving the Conditional Adult Use Dispensing Organization License: (i) confirms a continued interest in operating a dispensing organization; (ii) can provide evidence that the applicant continues to meet all requirements for holding a Conditional Adult Use Dispensing Organization License set forth in this Act; and (iii) has not otherwise become ineligible to be awarded a Conditional Adult Use Dispensing Organization License. If the

new awardee is unable to accept the Conditional Adult Use Dispensing Organization License, the Commission ~~Department~~ shall award the Conditional Adult Use Dispensing Organization License pursuant to subsection (b). The new awardee shall be subject to the same required deadlines as provided in this subsection.

(d) If, within 180 days of being awarded a Conditional Adult Use Dispensing Organization License, a dispensing organization is unable to find a location within the BLS Region in which it was awarded a Conditional Adult Use Dispensing Organization License under this Section because no jurisdiction within the BLS Region allows for the operation of an Adult Use Dispensing Organization, the Commission ~~Department~~ may authorize the Conditional Adult Use Dispensing Organization License holder to transfer its Conditional Adult Use Dispensing Organization License to a BLS Region specified by the Commission ~~Department~~.

(e) A dispensing organization that is awarded a Conditional Adult Use Dispensing Organization License under this Section shall not purchase, possess, sell, or dispense cannabis or cannabis-infused products until the dispensing organization has received an Adult Use Dispensing Organization License issued by the Commission ~~Department~~ pursuant to Section 15-36.

(f) The Commission ~~Department~~ shall conduct a background check of the prospective dispensing organization agents in

order to carry out this Article. The Illinois State Police shall charge the applicant a fee for conducting the criminal history record check, which shall be deposited into the State Police Services Fund and shall not exceed the actual cost of the record check. Each person applying as a dispensing organization agent shall submit a full set of fingerprints to the Illinois State Police for the purpose of obtaining a State and federal criminal records check. These fingerprints shall be checked against the fingerprint records now and hereafter, to the extent allowed by law, filed with the Illinois State Police and the Federal Bureau of Investigation criminal history records databases. The Illinois State Police shall furnish, following positive identification, all Illinois conviction information to the Commission ~~Department~~.

(g) The Commission ~~Department~~ may verify information contained in each application and accompanying documentation to assess the applicant's veracity and fitness to operate a dispensing organization.

(h) The Commission ~~Department~~ may, in its discretion, refuse to issue an authorization to an applicant who meets any of the following criteria:

(1) An applicant who is unqualified to perform the duties required of the applicant.

(2) An applicant who fails to disclose or states falsely any information called for in the application.

(3) An applicant who has been found guilty of a

violation of this Act, who has had any disciplinary order entered against the applicant by the Commission ~~Department~~, who has entered into a disciplinary or nondisciplinary agreement with the Commission ~~Department~~, whose medical cannabis dispensing organization, medical cannabis cultivation organization, Early Approval Adult Use Dispensing Organization License, Early Approval Adult Use Dispensing Organization License at a secondary site, Early Approval Cultivation Center License, Conditional Adult Use Dispensing Organization License, or Adult Use Dispensing Organization License was suspended, restricted, revoked, or denied for just cause, or whose cannabis business establishment license was suspended, restricted, revoked, or denied in any other state.

(4) An applicant who has engaged in a pattern or practice of unfair or illegal practices, methods, or activities in the conduct of owning a cannabis business establishment or other business.

(i) The Commission ~~Department~~ shall deny the license if any principal officer, board member, or person having a financial or voting interest of 5% or greater in the licensee is delinquent in filing any required tax return or paying any amount owed to the State of Illinois.

(j) The Commission ~~Department~~ shall verify an applicant's compliance with the requirements of this Article and rules adopted under this Article before issuing a Conditional Adult

Use Dispensing Organization License.

(k) If an applicant is awarded a Conditional Adult Use Dispensing Organization License under this Section, the information and plans provided in the application, including any plans submitted for bonus points, shall become a condition of the Conditional Adult Use Dispensing Organization License and any Adult Use Dispensing Organization License issued to the holder of the Conditional Adult Use Dispensing Organization License, except as otherwise provided by this Act or by rule. Dispensing organizations have a duty to disclose any material changes to the application. The Commission ~~Department~~ shall review all material changes disclosed by the dispensing organization and may reevaluate its prior decision regarding the awarding of a Conditional Adult Use Dispensing Organization License, including, but not limited to, suspending or permanently revoking a Conditional Adult Use Dispensing Organization License. Failure to comply with the conditions or requirements in the application may subject the dispensing organization to discipline up to and including suspension or permanent revocation of its authorization or Conditional Adult Use Dispensing Organization License by the Commission ~~Department~~.

(l) If an applicant has not begun operating as a dispensing organization within one year after the issuance of the Conditional Adult Use Dispensing Organization License under this Section, the Commission ~~Department~~ may permanently

revoke the Conditional Adult Use Dispensing Organization License and award it to the next highest scoring applicant in the BLS Region if a suitable applicant indicates a continued interest in the Conditional Adult Use Dispensing Organization License or may begin a new selection process to award a Conditional Adult Use Dispensing Organization License.

(Source: P.A. 102-98, eff. 7-15-21.)

(410 ILCS 705/15-35.20)

Sec. 15-35.20. Conditional Adult Use Dispensing Organization Licenses on or after January 1, 2022.

(a) In addition to any of the licenses issued under Section 15-15, Section 15-20, Section 15-25, Section 15-35, or Section 15-35.10, by January 1, 2022, the Commission ~~Department~~ may publish an application to issue additional Conditional Adult Use Dispensing Organization Licenses, and the Department shall collaborate with the Commission to complete the issuance of licenses under this Section, pursuant to the application process adopted under this Section. The Commission and the Department may adopt rules to issue any Conditional Adult Use Dispensing Organization Licenses under this Section. Such rules may:

(1) Modify or change the BLS Regions as they apply to this Article or modify or raise the number of Adult Conditional Use Dispensing Organization Licenses assigned to each BLS Region based on the following factors:

(A) Purchaser wait times.

(B) Travel time to the nearest dispensary for potential purchasers.

(C) Percentage of cannabis sales occurring in Illinois not in the regulated market using data from the Substance Abuse and Mental Health Services Administration, National Survey on Drug Use and Health, Illinois Behavioral Risk Factor Surveillance System, and tourism data from the Illinois Office of Tourism to ascertain total cannabis consumption in Illinois compared to the amount of sales in licensed dispensing organizations.

(D) Whether there is an adequate supply of cannabis and cannabis-infused products to serve registered medical cannabis patients.

(E) Population increases or shifts.

(F) Density of dispensing organizations in a region.

(G) The Commission's ~~Department's~~ capacity to appropriately regulate additional licenses.

(H) The findings and recommendations from the disparity and availability study commissioned by the Illinois Cannabis Regulation Oversight Officer in subsection (e) of Section 5-45 to reduce or eliminate any identified barriers to entry in the cannabis industry.

(I) Any other criteria the Commission ~~Department~~ deems relevant.

(2) Modify or change the licensing application process to reduce or eliminate the barriers identified in the disparity and availability study commissioned by the Illinois Cannabis Regulation Oversight Officer and make modifications to remedy evidence of discrimination.

(b) At no time shall the Commission ~~Department~~ issue more than 500 Adult Use Dispensing Organization Licenses.

(c) The Commission ~~Department~~ shall issue at least 50 additional Conditional Adult Use Dispensing Organization Licenses on or before December 21, 2022.

(Source: P.A. 102-98, eff. 7-15-21.)

(410 ILCS 705/15-55)

Sec. 15-55. Financial responsibility. Evidence of financial responsibility is a requirement for the issuance, maintenance, or reactivation of a license under this Article. Evidence of financial responsibility shall be used to guarantee that the dispensing organization timely and successfully completes dispensary construction, operates in a manner that provides an uninterrupted supply of cannabis, faithfully pays registration renewal fees, keeps accurate books and records, makes regularly required reports, complies with State tax requirements, and conducts the dispensing organization in conformity with this Act and rules. Evidence

of financial responsibility shall be provided by one of the following:

(1) Establishing and maintaining an escrow or surety account in a financial institution in the amount of $50,000, with escrow terms, approved by the Commission ~~Department~~, that it shall be payable to the Commission ~~Department~~ in the event of circumstances outlined in this Act and rules.

(A) A financial institution may not return money in an escrow or surety account to the dispensing organization that established the account or a representative of the organization unless the organization or representative presents a statement issued by the Commission ~~Department~~ indicating that the account may be released.

(B) The escrow or surety account shall not be canceled on less than 30 days' notice in writing to the Commission ~~Department~~, unless otherwise approved by the Commission ~~Department~~. If an escrow or surety account is canceled and the registrant fails to secure a new account with the required amount on or before the effective date of cancellation, the registrant's registration may be permanently revoked. The total and aggregate liability of the surety on the bond is limited to the amount specified in the escrow or surety account.

(2) Providing a surety bond in the amount of $50,000, naming the dispensing organization as principal of the bond, with terms, approved by the Commission ~~Department~~, that the bond defaults to the Commission ~~Department~~ in the event of circumstances outlined in this Act and rules. Bond terms shall include:

(A) The business name and registration number on the bond must correspond exactly with the business name and registration number in the Commission's ~~Department's~~ records.

(B) The bond must be written on a form approved by the Commission ~~Department~~.

(C) A copy of the bond must be received by the Commission ~~Department~~ within 90 days after the effective date.

(D) The bond shall not be canceled by a surety on less than 30 days' notice in writing to the Commission ~~Department~~. If a bond is canceled and the registrant fails to file a new bond with the Commission ~~Department~~ in the required amount on or before the effective date of cancellation, the registrant's registration may be permanently revoked. The total and aggregate liability of the surety on the bond is limited to the amount specified in the bond.

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

(410 ILCS 705/15-75)

Sec. 15-75. Inventory control system. (a) A dispensing organization agent-in-charge shall have primary oversight of the dispensing organization's cannabis inventory verification system, and its point-of-sale system. The inventory point-of-sale system shall be real-time, web-based, and accessible by the Commission ~~Department~~ at any time. The point-of-sale system shall track, at a minimum the date of sale, amount, price, and currency.

(b) A dispensing organization shall establish an account with the State's verification system that documents:

(1) Each sales transaction at the time of sale and each day's beginning inventory, acquisitions, sales, disposal, and ending inventory.

(2) Acquisition of cannabis and cannabis-infused products from a licensed adult use cultivation center, craft grower, infuser, or transporter, including:

(i) A description of the products, including the quantity, strain, variety, and batch number of each product received;

(ii) The name and registry identification number of the licensed adult use cultivation center, craft grower, or infuser providing the cannabis and cannabis-infused products;

(iii) The name and registry identification number of the licensed adult use cultivation center, craft

grower, infuser, or transporting agent delivering the cannabis;

(iv) The name and registry identification number of the dispensing organization agent receiving the cannabis; and

(v) The date of acquisition.

(3) The disposal of cannabis, including:

(i) A description of the products, including the quantity, strain, variety, batch number, and reason for the cannabis being disposed;

(ii) The method of disposal; and

(iii) The date and time of disposal.

(c) Upon cannabis delivery, a dispensing organization shall confirm the product's name, strain name, weight, and identification number on the manifest matches the information on the cannabis product label and package. The product name listed and the weight listed in the State's verification system shall match the product packaging.

(d) The agent-in-charge shall conduct daily inventory reconciliation documenting and balancing cannabis inventory by confirming the State's verification system matches the dispensing organization's point-of-sale system and the amount of physical product at the dispensary.

(1) A dispensing organization must receive Commission ~~Department~~ approval before completing an inventory adjustment. It shall provide a detailed reason for the

adjustment. Inventory adjustment documentation shall be kept at the dispensary for 2 years from the date performed.

(2) If the dispensing organization identifies an imbalance in the amount of cannabis after the daily inventory reconciliation due to mistake, the dispensing organization shall determine how the imbalance occurred and immediately upon discovery take and document corrective action. If the dispensing organization cannot identify the reason for the mistake within 2 calendar days after first discovery, it shall inform the Commission ~~Department~~ immediately in writing of the imbalance and the corrective action taken to date. The dispensing organization shall work diligently to determine the reason for the mistake.

(3) If the dispensing organization identifies an imbalance in the amount of cannabis after the daily inventory reconciliation or through other means due to theft, criminal activity, or suspected criminal activity, the dispensing organization shall immediately determine how the reduction occurred and take and document corrective action. Within 24 hours after the first discovery of the reduction due to theft, criminal activity, or suspected criminal activity, the dispensing organization shall inform the Commission ~~Department~~ and the Illinois State Police in writing.

(4) The dispensing organization shall file an annual compilation report with the Commission ~~Department~~, including a financial statement that shall include, but not be limited to, an income statement, balance sheet, profit and loss statement, statement of cash flow, wholesale cost and sales, and any other documentation requested by the Commission ~~Department~~ in writing. The financial statement shall include any other information the Commission ~~Department~~ deems necessary in order to effectively administer this Act and all rules, orders, and final decisions promulgated under this Act. Statements required by this Section shall be filed with the Commission ~~Department~~ within 60 days after the end of the calendar year. The compilation report shall include a letter authored by a licensed certified public accountant that it has been reviewed and is accurate based on the information provided. The dispensing organization, financial statement, and accompanying documents are not required to be audited unless specifically requested by the Commission ~~Department~~.

(e) A dispensing organization shall:

(1) Maintain the documentation required in this Section in a secure locked location at the dispensing organization for 5 years from the date on the document;

(2) Provide any documentation required to be maintained in this Section to the Commission ~~Department~~

for review upon request; and

(3) If maintaining a bank account, retain for a period of 5 years a record of each deposit or withdrawal from the account.

(f) If a dispensing organization chooses to have a return policy for cannabis and cannabis products, the dispensing organization shall seek prior approval from the Commission ~~Department~~.

(g) The Commission may change the storage requirements for dispensing cannabis by rule.

(Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 102-538, eff. 8-20-21.)

(410 ILCS 705/15-80)

Sec. 15-80. Storage requirements. (a) Authorized on-premises storage. A dispensing organization must store inventory on its premises. All inventory stored on the premises must be secured in a restricted access area and tracked consistently with the inventory tracking rules.

(b) A dispensary shall be of suitable size and construction to facilitate cleaning, maintenance, and proper operations.

(c) A dispensary shall maintain adequate lighting, ventilation, temperature, humidity control, and equipment.

(d) Containers storing cannabis that have been tampered with, damaged, or opened shall be labeled with the date opened

and quarantined from other cannabis products in the vault until they are disposed.

(e) Cannabis that was tampered with, expired, or damaged shall not be stored at the premises for more than 7 calendar days.

(f) Cannabis samples shall be in a sealed container. Samples shall be maintained in the restricted access area.

(g) The dispensary storage areas shall be maintained in accordance with the security requirements in this Act and rules.

(h) Cannabis must be stored at appropriate temperatures and under appropriate conditions to help ensure that its packaging, strength, quality, and purity are not adversely affected.

<u>(i) The Commission may change the storage requirements for dispensing cannabis by rule.</u>

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

(410 ILCS 705/15-85)

Sec. 15-85. Dispensing cannabis. (a) Before a dispensing organization agent dispenses cannabis to a purchaser, the agent shall:

(1) Verify the age of the purchaser by checking a government-issued identification card by use of an electronic reader or electronic scanning device to scan a purchaser's government-issued identification, if

applicable, to determine the purchaser's age and the validity of the identification;

(2) Verify the validity of the government-issued identification card by use of an electronic reader or electronic scanning device to scan a purchaser's government-issued identification, if applicable, to determine the purchaser's age and the validity of the identification;

(3) Offer any appropriate purchaser education or support materials;

(4) Enter the following information into the State's cannabis electronic verification system:

(i) The dispensing organization agent's identification number, or if the agent's card application is pending the Commission's ~~Department's~~ approval, a temporary and unique identifier until the agent's card application is approved or denied by the Commission ~~Department~~;

(ii) The dispensing organization's identification number;

(iii) The amount, type (including strain, if applicable) of cannabis or cannabis-infused product dispensed;

(iv) The date and time the cannabis was dispensed.

(b) A dispensing organization shall refuse to sell cannabis or cannabis-infused products to any person unless the

person produces a valid identification showing that the person is 21 years of age or older. A medical cannabis dispensing organization may sell cannabis or cannabis-infused products to a person who is under 21 years of age if the sale complies with the provisions of the Compassionate Use of Medical Cannabis Program ~~Act~~ and rules.

(c) For the purposes of this Section, valid identification must:

(1) Be valid and unexpired;

(2) Contain a photograph and the date of birth of the person.

(d) The Commission may change the requirements for dispensing cannabis by rule.

(Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 102-98, eff. 7-15-21.)

(410 ILCS 705/15-90)

Sec. 15-90. Destruction and disposal of cannabis. (a) Cannabis and cannabis-infused products must be destroyed by rendering them unusable using methods approved by the Commission ~~Department~~ that comply with this Act and rules.

(b) Cannabis waste rendered unusable must be promptly disposed according to this Act and rules. Disposal of the cannabis waste rendered unusable may be delivered to a permitted solid waste facility for final disposition. Acceptable permitted solid waste facilities include, but are

not limited to:

(1) Compostable mixed waste: Compost, anaerobic digester, or other facility with approval of the jurisdictional health department.

(2) Noncompostable mixed waste: Landfill, incinerator, or other facility with approval of the jurisdictional health department.

(c) All waste and unusable product shall be weighed, recorded, and entered into the inventory system before rendering it unusable. All waste and unusable cannabis concentrates and cannabis-infused products shall be recorded and entered into the inventory system before rendering it unusable. Verification of this event shall be performed by an agent-in-charge and conducted in an area with video surveillance.

(d) Electronic documentation of destruction and disposal shall be maintained for a period of at least 5 years.

<u>(e) The Commission may change the requirements for the destruction and disposal of cannabis by rule.</u>

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

(410 ILCS 705/15-100)

Sec. 15-100. Security. (a) A dispensing organization shall implement security measures to deter and prevent entry into and theft of cannabis or currency.

(b) A dispensing organization shall submit any changes to

the floor plan or security plan to the Commission ~~Department~~ for pre-approval. All cannabis shall be maintained and stored in a restricted access area during construction.

(c) The dispensing organization shall implement security measures to protect the premises, purchasers, and dispensing organization agents including, but not limited to the following:

(1) Establish a locked door or barrier between the facility's entrance and the limited access area;

(2) Prevent individuals from remaining on the premises if they are not engaging in activity permitted by this Act or rules;

(3) Develop a policy that addresses the maximum capacity and purchaser flow in the waiting rooms and limited access areas;

(4) Dispose of cannabis in accordance with this Act and rules;

(5) During hours of operation, store and dispense all cannabis from the restricted access area. During operational hours, cannabis shall be stored in an enclosed locked room or cabinet and accessible only to specifically authorized dispensing organization agents;

(6) When the dispensary is closed, store all cannabis and currency in a reinforced vault room in the restricted access area and in a manner as to prevent diversion, theft, or loss;

(7) Keep the reinforced vault room and any other equipment or cannabis storage areas securely locked and protected from unauthorized entry;

(8) Keep an electronic daily log of dispensing organization agents with access to the reinforced vault room and knowledge of the access code or combination;

(9) Keep all locks and security equipment in good working order;

(10) Maintain an operational security and alarm system at all times;

(11) Prohibit keys, if applicable, from being left in the locks, or stored or placed in a location accessible to persons other than specifically authorized personnel;

(12) Prohibit accessibility of security measures, including combination numbers, passwords, or electronic or biometric security systems to persons other than specifically authorized dispensing organization agents;

(13) Ensure that the dispensary interior and exterior premises are sufficiently lit to facilitate surveillance;

(14) Ensure that trees, bushes, and other foliage outside of the dispensary premises do not allow for a person or persons to conceal themselves from sight;

(15) Develop emergency policies and procedures for securing all product and currency following any instance of diversion, theft, or loss of cannabis, and conduct an assessment to determine whether additional safeguards are

necessary; and

(16) Develop sufficient additional safeguards in response to any special security concerns, or as required by the Commission ~~Department~~.

(d) The Commission ~~Department~~ may request or approve alternative security provisions that it determines are an adequate substitute for a security requirement specified in this Article. Any additional protections may be considered by the Commission ~~Department~~ in evaluating overall security measures.

(e) A dispensing organization may share premises with a craft grower or an infuser organization, or both, provided each licensee stores currency and cannabis or cannabis-infused products in a separate secured vault to which the other licensee does not have access or all licensees sharing a vault share more than 50% of the same ownership.

(f) A dispensing organization shall provide additional security as needed and in a manner appropriate for the community where it operates.

(g) Restricted access areas.

(1) All restricted access areas must be identified by the posting of a sign that is a minimum of 12 inches by 12 inches and that states "Do Not Enter - Restricted Access Area - Authorized Personnel Only" in lettering no smaller than one inch in height.

(2) All restricted access areas shall be clearly

described in the floor plan of the premises, in the form and manner determined by the Commission ~~Department~~, reflecting walls, partitions, counters, and all areas of entry and exit. The floor plan shall show all storage, disposal, and retail sales areas.

(3) All restricted access areas must be secure, with locking devices that prevent access from the limited access areas.

(h) Security and alarm.

(1) A dispensing organization shall have an adequate security plan and security system to prevent and detect diversion, theft, or loss of cannabis, currency, or unauthorized intrusion using commercial grade equipment installed by an Illinois licensed private alarm contractor or private alarm contractor agency that shall, at a minimum, include:

(i) A perimeter alarm on all entry points and glass break protection on perimeter windows;

(ii) Security shatterproof tinted film on exterior windows;

(iii) A failure notification system that provides an audible, text, or visual notification of any failure in the surveillance system, including, but not limited to, panic buttons, alarms, and video monitoring system. The failure notification system shall provide an alert to designated dispensing

organization agents within 5 minutes after the failure, either by telephone or text message;

(iv) A duress alarm, panic button, and alarm, or holdup alarm and after-hours intrusion detection alarm that by design and purpose will directly or indirectly notify, by the most efficient means, the Public Safety Answering Point for the law enforcement agency having primary jurisdiction;

(v) Security equipment to deter and prevent unauthorized entrance into the dispensary, including electronic door locks on the limited and restricted access areas that include devices or a series of devices to detect unauthorized intrusion that may include a signal system interconnected with a radio frequency method, cellular, private radio signals or other mechanical or electronic device.

(2) All security system equipment and recordings shall be maintained in good working order, in a secure location so as to prevent theft, loss, destruction, or alterations.

(3) Access to surveillance monitoring recording equipment shall be limited to persons who are essential to surveillance operations, law enforcement authorities acting within their jurisdiction, security system service personnel, and the Commission ~~Department~~. A current list of authorized dispensing organization agents and service personnel that have access to the surveillance equipment must be

available to the Commission ~~Department~~ upon request.

(4) All security equipment shall be inspected and tested at regular intervals, not to exceed one month from the previous inspection, and tested to ensure the systems remain functional.

(5) The security system shall provide protection against theft and diversion that is facilitated or hidden by tampering with computers or electronic records.

(6) The dispensary shall ensure all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.

(i) To monitor the dispensary, the dispensing organization shall incorporate continuous electronic video monitoring including the following:

(1) All monitors must be 19 inches or greater;

(2) Unobstructed video surveillance of all enclosed dispensary areas, unless prohibited by law, including all points of entry and exit that shall be appropriate for the normal lighting conditions of the area under surveillance. The cameras shall be directed so all areas are captured, including, but not limited to, safes, vaults, sales areas, and areas where cannabis is stored, handled, dispensed, or destroyed. Cameras shall be angled to allow for facial recognition, the capture of clear and certain identification of any person entering or exiting the dispensary area and in lighting sufficient during all

times of night or day;

(3) Unobstructed video surveillance of outside areas, the storefront, and the parking lot, that shall be appropriate for the normal lighting conditions of the area under surveillance. Cameras shall be angled so as to allow for the capture of facial recognition, clear and certain identification of any person entering or exiting the dispensary and the immediate surrounding area, and license plates of vehicles in the parking lot;

(4) 24-hour recordings from all video cameras available for immediate viewing by the Commission ~~Department~~ upon request. Recordings shall not be destroyed or altered and shall be retained for at least 90 days. Recordings shall be retained as long as necessary if the dispensing organization is aware of the loss or theft of cannabis or a pending criminal, civil, or administrative investigation or legal proceeding for which the recording may contain relevant information;

(5) The ability to immediately produce a clear, color still photo from the surveillance video, either live or recorded;

(6) A date and time stamp embedded on all video surveillance recordings. The date and time shall be synchronized and set correctly and shall not significantly obscure the picture;

(7) The ability to remain operational during a power

outage and ensure all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage;

(8) All video surveillance equipment shall allow for the exporting of still images in an industry standard image format, including .jpg, .bmp, and .gif. Exported video shall have the ability to be archived in a proprietary format that ensures authentication of the video and guarantees that no alteration of the recorded image has taken place. Exported video shall also have the ability to be saved in an industry standard file format that can be played on a standard computer operating system. All recordings shall be erased or destroyed before disposal;

(9) The video surveillance system shall be operational during a power outage with a 4-hour minimum battery backup;

(10) A video camera or cameras recording at each point-of-sale location allowing for the identification of the dispensing organization agent distributing the cannabis and any purchaser. The camera or cameras shall capture the sale, the individuals and the computer monitors used for the sale;

(11) A failure notification system that provides an audible and visual notification of any failure in the electronic video monitoring system; and

(12) All electronic video surveillance monitoring must record at least the equivalent of 8 frames per second and be available as recordings to the Commission ~~Department~~ and the Illinois State Police 24 hours a day via a secure web-based portal with reverse functionality.

(j) The requirements contained in this Act are minimum requirements for operating a dispensing organization. The Commission ~~Department~~ may change existing or establish additional requirements by rule.

(Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 102-538, eff. 8-20-21.)

(410 ILCS 705/15-110)

Sec. 15-110. Recordkeeping.

(a) Dispensing organization records must be maintained electronically for 3 years and be available for inspection by the Commission ~~Department~~ upon request. Required written records include, but are not limited to, the following:

(1) Operating procedures;

(2) Inventory records, policies, and procedures;

(3) Security records;

(4) Audit records;

(5) Staff training plans and completion documentation;

(6) Staffing plan; and

(7) Business records, including but not limited to:

(i) Assets and liabilities;

(ii) Monetary transactions;

(iii) Written or electronic accounts, including bank statements, journals, ledgers, and supporting documents, agreements, checks, invoices, receipts, and vouchers; and

(iv) Any other financial accounts reasonably related to the dispensary operations.

(b) Storage and transfer of records. If a dispensary closes due to insolvency, revocation, bankruptcy, or for any other reason, all records must be preserved at the expense of the dispensing organization for at least 3 years in a form and location in Illinois acceptable to the Commission ~~Department~~. The dispensing organization shall keep the records longer if requested by the Commission ~~Department~~. The dispensing organization shall notify the Commission ~~Department~~ of the location where the dispensary records are stored or transferred.

(c) The Commission may change the recordkeeping requirements by rule.

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

(410 ILCS 705/15-120)

Sec. 15-120. Closure of a dispensary. (a) If a dispensing organization decides not to renew its license or decides to close its business, it shall promptly notify the Commission ~~Department~~ not less than 3 months before the

effective date of the closing date or as otherwise authorized by the Commission ~~Department~~.

(b) The dispensing organization shall work with the Commission ~~Department~~ to develop a closure plan that addresses, at a minimum, the transfer of business records, transfer of cannabis products, and anything else the Commission ~~Department~~ finds necessary.

(c) The Commission may change the requirements for closure of a dispensary by rule.

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

(410 ILCS 705/15-125)

Sec. 15-125. Fees. After January 1, 2022, the Commission ~~Department~~ may by rule modify any fee established under this Article.

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

(410 ILCS 705/15-135)

Sec. 15-135. Investigations. (a) Dispensing organizations are subject to random and unannounced dispensary inspections and cannabis testing by the Commission ~~Department~~, the Illinois State Police, local law enforcement, or as provided by rule.

(b) The Commission ~~Department~~ and its authorized representatives may enter any place, including a vehicle, in which cannabis is held, stored, dispensed, sold, produced,

delivered, transported, manufactured, or disposed of and inspect, in a reasonable manner, the place and all pertinent equipment, containers and labeling, and all things including records, files, financial data, sales data, shipping data, pricing data, personnel data, research, papers, processes, controls, and facility, and inventory any stock of cannabis and obtain samples of any cannabis or cannabis-infused product, any labels or containers for cannabis, or paraphernalia.

(c) The Commission ~~Department~~ may conduct an investigation of an applicant, application, dispensing organization, principal officer, dispensary agent, third party vendor, or any other party associated with a dispensing organization for an alleged violation of this Act or rules or to determine qualifications to be granted a registration by the Commission ~~Department~~.

(d) The Commission ~~Department~~ may require an applicant or holder of any license issued pursuant to this Article to produce documents, records, or any other material pertinent to the investigation of an application or alleged violations of this Act or rules. Failure to provide the required material may be grounds for denial or discipline.

(e) Every person charged with preparation, obtaining, or keeping records, logs, reports, or other documents in connection with this Act and rules and every person in charge, or having custody, of those documents shall, upon request by

the Commission ~~Department~~, make the documents immediately available for inspection and copying by the Commission ~~Department~~, the Commission's ~~Department's~~ authorized representative, or others authorized by law to review the documents.

The Commission may change the requirements for investigations by rule.

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

(410 ILCS 705/15-140)

Sec. 15-140. Citations. The Commission ~~Department~~ may issue nondisciplinary citations for minor violations. Any such citation issued by the Commission ~~Department~~ may be accompanied by a fee. The fee shall not exceed $20,000 per violation. The citation shall be issued to the licensee and shall contain the licensee's name and address, the licensee's license number, a brief factual statement, the Sections of the law allegedly violated, and the fee, if any, imposed. The citation must clearly state that the licensee may choose, in lieu of accepting the citation, to request a hearing. If the licensee does not dispute the matter in the citation with the Commission ~~Department~~ within 30 days after the citation is served, then the citation shall become final and not subject to appeal. The penalty shall be a fee or other conditions as established by rule.

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

(410 ILCS 705/15-145)

Sec. 15-145. Grounds for discipline. (a) The Commission ~~Department~~ may deny issuance, refuse to renew or restore, or may reprimand, place on probation, suspend, revoke, or take other disciplinary or nondisciplinary action against any license or agent identification card or may impose a fine for any of the following:

(1) Material misstatement in furnishing information to the Commission ~~Department~~;

(2) Violations of this Act or rules;

(3) Obtaining an authorization or license by fraud or misrepresentation;

(4) A pattern of conduct that demonstrates incompetence or that the applicant has engaged in conduct or actions that would constitute grounds for discipline under this Act;

(5) Aiding or assisting another person in violating any provision of this Act or rules;

(6) Failing to respond to a written request for information by the Commission ~~Department~~ within 30 days;

(7) Engaging in unprofessional, dishonorable, or unethical conduct of a character likely to deceive, defraud, or harm the public;

(8) Adverse action by another United States

jurisdiction or foreign nation;

(9) A finding by the Commission ~~Department~~ that the licensee, after having his or her license placed on suspended or probationary status, has violated the terms of the suspension or probation;

(10) Conviction, entry of a plea of guilty, nolo contendere, or the equivalent in a State or federal court of a principal officer or agent-in-charge of a felony offense in accordance with Sections 2105-131, 2105-135, and 2105-205 of the Department of Professional Regulation Law of the Civil Administrative Code of Illinois;

(11) Excessive use of or addiction to alcohol, narcotics, stimulants, or any other chemical agent or drug;

(12) A finding by the Commission ~~Department~~ of a discrepancy in a Commission ~~Department~~ audit of cannabis;

(13) A finding by the Commission ~~Department~~ of a discrepancy in a Commission ~~Department~~ audit of capital or funds;

(14) A finding by the Commission ~~Department~~ of acceptance of cannabis from a source other than an Adult Use Cultivation Center, craft grower, infuser, ~~or~~ transporting organization ~~licensed by the Department of Agriculture~~, or ~~a~~ dispensing organization licensed by the Commission ~~Department~~;

(15) An inability to operate using reasonable

judgment, skill, or safety due to physical or mental illness or other impairment or disability, including, without limitation, deterioration through the aging process or loss of motor skills or mental incompetence;

(16) Failing to report to the Commission ~~Department~~ within the time frames established, or if not identified, 14 days, of any adverse action taken against the dispensing organization or an agent by a licensing jurisdiction in any state or any territory of the United States or any foreign jurisdiction, any governmental agency, any law enforcement agency or any court defined in this Section;

(17) Any violation of the dispensing organization's policies and procedures submitted to the Commission ~~Department~~ annually as a condition for licensure;

(18) Failure to inform the Commission ~~Department~~ of any change of address within 10 business days;

(19) Disclosing customer names, personal information, or protected health information in violation of any State or federal law;

(20) Operating a dispensary before obtaining a license from the Commission ~~Department~~;

(21) Performing duties authorized by this Act prior to receiving a license to perform such duties;

(22) Dispensing cannabis when prohibited by this Act or rules;

(23) Any fact or condition that, if it had existed at the time of the original application for the license, would have warranted the denial of the license;

(24) Permitting a person without a valid agent identification card to perform licensed activities under this Act;

(25) Failure to assign an agent-in-charge as required by this Article;

(26) Failure to provide the training required by paragraph (3) of subsection (i) of Section 15-40 within the provided timeframe;

(27) Personnel insufficient in number or unqualified in training or experience to properly operate the dispensary business;

(28) Any pattern of activity that causes a harmful impact on the community; and

(29) Failing to prevent diversion, theft, or loss of cannabis.

(b) All fines and fees imposed under this Section shall be paid within 60 days after the effective date of the order imposing the fine or as otherwise specified in the order.

(c) A circuit court order establishing that an agent-in-charge or principal officer holding an agent identification card is subject to involuntary admission as that term is defined in Section 1-119 or 1-119.1 of the Mental Health and Developmental Disabilities Code shall operate as a

suspension of that card.

(d) The Commission may change the requirements for grounds for discipline by rule.

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

(410 ILCS 705/15-150)

Sec. 15-150. Temporary suspension.

(a) The Commission ~~Secretary of Financial and Professional Regulation~~ may temporarily suspend a dispensing organization license or an agent registration without a hearing if the Commission ~~Secretary~~ finds that public safety or welfare requires emergency action. The Commission ~~Secretary~~ shall cause the temporary suspension by issuing a suspension notice in connection with the institution of proceedings for a hearing.

(b) If the Commission ~~Secretary~~ temporarily suspends a license or agent registration without a hearing, the licensee or agent is entitled to a hearing within 45 days after the suspension notice has been issued. The hearing shall be limited to the issues cited in the suspension notice, unless all parties agree otherwise.

(c) If the Commission ~~Department~~ does not hold a hearing with 45 days after the date the suspension notice was issued, then the suspended license or registration shall be automatically reinstated and the suspension vacated.

(d) The suspended licensee or agent may seek a continuance

of the hearing date, during which time the suspension remains in effect and the license or registration shall not be automatically reinstated.

(e) Subsequently discovered causes of action by the Commission ~~Department~~ after the issuance of the suspension notice may be filed as a separate notice of violation. The Commission ~~Department~~ is not precluded from filing a separate action against the suspended licensee or agent.

(f) The Commission may change the requirements for temporary suspension by rule.

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

(410 ILCS 705/15-155)

Sec. 15-155. Unlicensed practice; violation; civil penalty. (a) In addition to any other penalty provided by law, any person who practices, offers to practice, attempts to practice, or holds oneself out to practice as a licensed dispensing organization owner, principal officer, agent-in-charge, or agent without being licensed under this Act shall, in addition to any other penalty provided by law, pay a civil penalty to the Commission ~~Department of Financial and Professional Regulation~~ in an amount not to exceed $10,000 for each offense as determined by the Commission ~~Department~~. The civil penalty shall be assessed by the Commission ~~Department~~ after a hearing is held in accordance with the provisions set forth in this Act regarding the provision of a

hearing for the discipline of a licensee.

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

(c) The civil penalty shall be paid within 60 days after the effective date of the order imposing the civil penalty or in accordance with the order imposing the civil penalty. The order shall constitute a judgment and may be filed and execution had thereon in the same manner as any judgment from any court of this State.

(d) The Commission may change the requirements for temporary suspension by rule.

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

(410 ILCS 705/15-160)

Sec. 15-160. Notice; hearing. (a) The Commission ~~Department~~ shall, before disciplining an applicant or licensee, at least 30 days before the date set for the hearing: (i) notify the accused in writing of the charges made and the time and place for the hearing on the charges; (ii) direct him or her to file a written answer to the charges under oath within 20 days after service; and (iii) inform the applicant or licensee that failure to answer will result in a default being entered against the applicant or licensee.

(b) At the time and place fixed in the notice, the hearing officer appointed by the Commission ~~Secretary~~ shall proceed to hear the charges, and the parties or their counsel shall be

accorded ample opportunity to present any pertinent statements, testimony, evidence, and arguments. The hearing officer may continue the hearing from time to time. In case the person, after receiving the notice, fails to file an answer, his or her license may, in the discretion of the Commission ~~Secretary~~, having first received the recommendation of the hearing officer, be suspended, revoked, or placed on probationary status, or be subject to whatever disciplinary action the Commission ~~Secretary~~ considers proper, including a fine, without hearing, if that act or acts charged constitute sufficient grounds for that action under this Act.

(c) The written notice and any notice in the subsequent proceeding may be served by regular mail or email to the licensee's or applicant's address of record.

(d) The Commission may change the requirements for notice and hearing by rule.

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

(410 ILCS 705/15-165)

Sec. 15-165. Subpoenas; oaths.

(a) The Commission ~~Department~~ shall have the power to subpoena and bring before it any person and to take testimony either orally or by deposition, or both, with the same fees and mileage and in the same manner as prescribed by law in judicial proceedings in civil cases in courts in this State. The Commission ~~Secretary~~ or the hearing officer shall each have

the power to administer oaths to witnesses at any hearings that the Commission ~~Department~~ is authorized to conduct.

(b) The Commission may change the requirements for this Section by rule.

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

(410 ILCS 705/15-170)

Sec. 15-170. Hearing; motion for rehearing. (a) The hearing officer shall hear evidence in support of the formal charges and evidence produced by the licensee. At the conclusion of the hearing, the hearing officer shall present to the Commission ~~Secretary~~ a written report of his or her findings of fact, conclusions of law, and recommendations.

(b) At the conclusion of the hearing, a copy of the hearing officer's report shall be served upon the applicant or licensee by the Commission ~~Department~~, either personally or as provided in this Act for the service of a notice of hearing. Within 20 calendar days after service, the applicant or licensee may present to the Commission ~~Department~~ a motion in writing for rehearing, which shall specify the particular grounds for rehearing. The Commission ~~Department~~ may respond to the motion for rehearing within 20 calendar days after its service on the Commission ~~Department~~. If no motion for rehearing is filed, then, upon the expiration of the time specified for filing such motion or upon denial of a motion for rehearing, the Commission ~~Secretary~~ may enter an order in

accordance with the recommendation of the hearing officer. If the applicant or licensee orders from the reporting service and pays for a transcript of the record within the time for filing a motion for rehearing, the 20-day period within which a motion may be filed shall commence upon the delivery of the transcript to the applicant or licensee.

(c) If the Commission ~~Secretary~~ disagrees in any regard with the report of the hearing officer, the Commission ~~Secretary~~ may issue an order contrary to the report.

(d) Whenever the Commission ~~Secretary~~ is not satisfied that substantial justice has been done, the Commission ~~Secretary~~ may order a rehearing by the same or another hearing officer.

(e) At any point in any investigation or disciplinary proceeding under in this Article, both parties may agree to a negotiated consent order. The consent order shall be final upon signature of the Commission ~~Secretary~~.

(f) The Commission may change the requirements of this Section by rule.

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

(410 ILCS 705/15-175)

Sec. 15-175. Review under the Administrative Review Law.

(a) All final administrative decisions of the Commission ~~Department~~ hereunder shall be subject to judicial review under the provisions of the Administrative Review Law, and all

amendment and modifications thereof. The term "administrative decision" is defined as in Section 3-101 of the Code of Civil Procedure.

(b) Proceedings for judicial review shall be commenced in the circuit court of the county in which the party applying for review resides, but if the party is not a resident of Illinois, the venue shall be in Sangamon County.

(c) The Commission ~~Department~~ shall not be required to certify any record to the court, file any answer in court, or otherwise appear in any court in a judicial review proceeding, unless and until the Commission ~~Department~~ has received from the plaintiff payment of the costs of furnishing and certifying the record, which costs shall be determined by the Commission ~~Department~~. Failure on the part of the plaintiff to file a receipt in court shall be grounds for dismissal of the action.

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

(410 ILCS 705/20-1)

Sec. 20-1. Definition. In this Article: ~~,~~

"Commission" means the Cannabis Equity and Oversight Commission.

~~"Department" means the Department of Agriculture.~~

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

(410 ILCS 705/20-5)

Sec. 20-5. Issuance of licenses. On or after July 1, 2021, the Commission ~~Department of Agriculture~~ by rule may:

(1) Modify or change the number of cultivation center licenses available, which shall at no time exceed 30 cultivation center licenses. In determining whether to exercise the authority granted by this subsection, the Commission ~~Department of Agriculture~~ must consider the following factors:

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

(B) Whether there is an adequate supply of cannabis and cannabis-infused products to serve registered medical cannabis patients;

(C) Whether there is an adequate supply of cannabis and cannabis-infused products to serve purchasers;

(D) Whether there is an oversupply of cannabis in Illinois leading to trafficking of cannabis to any other state;

(E) Population increases or shifts;

(F) Changes to federal law;

(G) Perceived security risks of increasing the number or location of cultivation centers;

(H) The past security records of cultivation centers;

(I) The Commission's ~~Department of Agriculture's~~ capacity to appropriately regulate additional licensees;

(J) The findings and recommendations from the disparity and availability study commissioned by the Illinois Cannabis Regulation Oversight Officer referenced in subsection (e) of Section 5-45 or by the Commission to reduce or eliminate any identified barriers to entry in the cannabis industry; and

(K) Any other criteria the Commission ~~Department of Agriculture~~ deems relevant.

(2) Modify or change the licensing application process to reduce or eliminate the barriers identified in the disparity and availability study commission by the Illinois Cannabis Regulation Oversight Officer or by the Commission and shall make modifications to remedy evidence of discrimination.

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

(410 ILCS 705/20-15)

Sec. 20-15. Conditional Adult Use Cultivation Center application.

(a) If the Commission ~~Department of Agriculture~~ makes available additional cultivation center licenses pursuant to Section 20-5, applicants for a Conditional Adult Use Cultivation Center License shall electronically submit the following in such form as the Commission ~~Department of Agriculture~~ may direct:

(1) the nonrefundable application fee set by rule by the Commission ~~Department of Agriculture~~, to be deposited into the Cannabis Regulation Fund;

(2) the legal name of the cultivation center;

(3) the proposed physical address of the cultivation center;

(4) the name, address, social security number, and date of birth of each principal officer and board member of the cultivation center; each principal officer and board member shall be at least 21 years of age;

(5) the details of any administrative or judicial proceeding in which any of the principal officers or board members of the cultivation center (i) pled guilty, were convicted, were fined, or had a registration or license suspended or revoked, or (ii) managed or served on the board of a business or non-profit organization that pled guilty, was convicted, was fined, or had a registration or license suspended or revoked;

(6) proposed operating bylaws that include procedures for the oversight of the cultivation center, including the development and implementation of a plant monitoring system, accurate recordkeeping, staffing plan, and security plan approved by the Illinois State Police that are in accordance with the rules issued by the Commission ~~Department of Agriculture~~ under this Act. A physical inventory shall be performed of all plants and cannabis on a weekly basis by the cultivation center;

(7) verification from the Illinois State Police that all background checks of the prospective principal officers, board members, and agents of the cannabis business establishment have been conducted;

(8) a copy of the current local zoning ordinance or permit and verification that the proposed cultivation center is in compliance with the local zoning rules and distance limitations established by the local jurisdiction;

(9) proposed employment practices, in which the applicant must demonstrate a plan of action to inform, hire, and educate minorities, women, veterans, and persons with disabilities, engage in fair labor practices, and provide worker protections;

(10) whether an applicant can demonstrate experience in or business practices that promote economic empowerment in Disproportionately Impacted Areas;

(11) experience with the cultivation of agricultural or horticultural products, operating an agriculturally related business, or operating a horticultural business;

(12) a description of the enclosed, locked facility where cannabis will be grown, harvested, manufactured, processed, packaged, or otherwise prepared for distribution to a dispensing organization;

(13) a survey of the enclosed, locked facility, including the space used for cultivation;

(14) cultivation, processing, inventory, and packaging plans;

(15) a description of the applicant's experience with agricultural cultivation techniques and industry standards;

(16) a list of any academic degrees, certifications, or relevant experience of all prospective principal officers, board members, and agents of the related business;

(17) the identity of every person having a financial or voting interest of 5% or greater in the cultivation center operation with respect to which the license is sought, whether a trust, corporation, partnership, limited liability company, or sole proprietorship, including the name and address of each person;

(18) a plan describing how the cultivation center will address each of the following:

(i) energy needs, including estimates of monthly electricity and gas usage, to what extent it will procure energy from a local utility or from on-site generation, and if it has or will adopt a sustainable energy use and energy conservation policy;

(ii) water needs, including estimated water draw and if it has or will adopt a sustainable water use and water conservation policy; and

(iii) waste management, including if it has or will adopt a waste reduction policy;

(19) a diversity plan that includes a narrative of not more than 2,500 words that establishes a goal of diversity in ownership, management, employment, and contracting to ensure that diverse participants and groups are afforded equality of opportunity;

(20) any other information required by rule;

(21) a recycling plan:

(A) Purchaser packaging, including cartridges, shall be accepted by the applicant and recycled.

(B) Any recyclable waste generated by the cannabis cultivation facility shall be recycled per applicable State and local laws, ordinances, and rules.

(C) Any cannabis waste, liquid waste, or hazardous waste shall be disposed of in accordance with 8 Ill. Adm. Code 1000.460, except, to the greatest extent feasible, all cannabis plant waste will be rendered

unusable by grinding and incorporating the cannabis plant waste with compostable mixed waste to be disposed of in accordance with 8 Ill. Adm. Code 1000.460(g)(1);

(22) commitment to comply with local waste provisions: a cultivation facility must remain in compliance with applicable State and federal environmental requirements, including, but not limited to:

(A) storing, securing, and managing all recyclables and waste, including organic waste composed of or containing finished cannabis and cannabis products, in accordance with applicable State and local laws, ordinances, and rules; and

(B) disposing liquid waste containing cannabis or byproducts of cannabis processing in compliance with all applicable State and federal requirements, including, but not limited to, the cannabis cultivation facility's permits under Title X of the Environmental Protection Act; and

(23) a commitment to a technology standard for resource efficiency of the cultivation center facility.

(A) A cannabis cultivation facility commits to use resources efficiently, including energy and water. For the following, a cannabis cultivation facility commits to meet or exceed the technology standard identified in items (i), (ii), (iii), and (iv), which may be

modified by rule:

(i) lighting systems, including light bulbs;

(ii) HVAC system;

(iii) water application system to the crop; and

(iv) filtration system for removing contaminants from wastewater.

(B) Lighting. The Lighting Power Densities (LPD) for cultivation space commits to not exceed an average of 36 watts per gross square foot of active and growing space canopy, or all installed lighting technology shall meet a photosynthetic photon efficacy (PPE) of no less than 2.2 micromoles per joule fixture and shall be featured on the DesignLights Consortium (DLC) Horticultural Specification Qualified Products List (QPL). In the event that DLC requirement for minimum efficacy exceeds 2.2 micromoles per joule fixture, that PPE shall become the new standard.

(C) HVAC.

(i) For cannabis grow operations with less than 6,000 square feet of canopy, the licensee commits that all HVAC units will be high-efficiency ductless split HVAC units, or other more energy efficient equipment.

(ii) For cannabis grow operations with 6,000 square feet of canopy or more, the licensee

commits that all HVAC units will be variable refrigerant flow HVAC units, or other more energy efficient equipment.

(D) Water application.

(i) The cannabis cultivation facility commits to use automated watering systems, including, but not limited to, drip irrigation and flood tables, to irrigate cannabis crop.

(ii) The cannabis cultivation facility commits to measure runoff from watering events and report this volume in its water usage plan, and that on average, watering events shall have no more than 20% of runoff of water.

(E) Filtration. The cultivator commits that HVAC condensate, dehumidification water, excess runoff, and other wastewater produced by the cannabis cultivation facility shall be captured and filtered to the best of the facility's ability to achieve the quality needed to be reused in subsequent watering rounds.

(F) Reporting energy use and efficiency as required by rule.

(b) Applicants must submit all required information, including the information required in Section 20-10, to the Commission ~~Department of Agriculture~~. Failure by an applicant to submit all required information may result in the application being disqualified.

(c) If the Commission ~~Department of Agriculture~~ receives an application with missing information, the Commission ~~Department of Agriculture~~ may issue a deficiency notice to the applicant. The applicant shall have 10 calendar days from the date of the deficiency notice to resubmit the incomplete information. Applications that are still incomplete after this opportunity to cure will not be scored and will be disqualified.

(e) A cultivation center that is awarded a Conditional Adult Use Cultivation Center License pursuant to the criteria in Section 20-20 shall not grow, purchase, possess, or sell cannabis or cannabis-infused products until the person has received an Adult Use Cultivation Center License issued by the Commission ~~Department of Agriculture~~ pursuant to Section 20-21 of this Act.

(Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 102-538, eff. 8-20-21.)

(410 ILCS 705/20-21)

Sec. 20-21. Adult Use Cultivation Center License.

(a) A person or entity is only eligible to receive an Adult Use Cultivation Center License if the person or entity has first been awarded a Conditional Adult Use Cultivation Center License pursuant to this Act or the person or entity has renewed its Early Approval Cultivation Center License pursuant to subsection (c) of Section 20-10.

(b) The Commission ~~Department of Agriculture~~ shall not issue an Adult Use Cultivation Center License until:

(1) the Commission ~~Department of Agriculture~~ has inspected the cultivation center site and proposed operations and verified that they are in compliance with this Act and local zoning laws;

(2) the Conditional Adult Use Cultivation Center License holder has paid a registration fee in an amount set by rule ~~of $100,000~~ or a prorated amount accounting for the difference of time between when the Adult Use Cultivation Center License is issued and March 31 of the next even-numbered year; and

(3) The Conditional Adult Use Cultivation Center License holder has met all the requirements in the Act and rules.

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

(410 ILCS 705/20-30)

Sec. 20-30. Cultivation center requirements; prohibitions.

(a) The operating documents of a cultivation center shall include procedures for the oversight of the cultivation center, a cannabis plant monitoring system including a physical inventory recorded weekly, accurate recordkeeping, and a staffing plan.

(b) A cultivation center shall implement a security plan reviewed by the Illinois State Police that includes, but is

not limited to: facility access controls, perimeter intrusion detection systems, personnel identification systems, 24-hour surveillance system to monitor the interior and exterior of the cultivation center facility and accessibility to authorized law enforcement and the Commission~~, the Department of Public Health where processing takes place, and the Department of Agriculture~~ in real time.

(c) All cultivation of cannabis by a cultivation center must take place in an enclosed, locked facility at the physical address provided to the Commission ~~Department of Agriculture~~ during the licensing process. The cultivation center location shall only be accessed by the agents working for the cultivation center, the Commission ~~Department of Agriculture~~ staff performing inspections, the Department of Public Health staff performing inspections, local and State law enforcement or other emergency personnel, contractors working on jobs unrelated to cannabis, such as installing or maintaining security devices or performing electrical wiring, transporting organization agents as provided in this Act, individuals in a mentoring or educational program approved by the State, or other individuals as provided by rule.

(d) A cultivation center may not sell or distribute any cannabis or cannabis-infused products to any person other than a dispensing organization, craft grower, infuser organization, transporter, or as otherwise authorized by rule.

(e) A cultivation center may not either directly or

indirectly discriminate in price between different dispensing organizations, craft growers, or infuser organizations that are purchasing a like grade, strain, brand, and quality of cannabis or cannabis-infused product. Nothing in this subsection (e) prevents a cultivation center from pricing cannabis differently based on differences in the cost of manufacturing or processing, the quantities sold, such as volume discounts, or the way the products are delivered.

(f) All cannabis harvested by a cultivation center and intended for distribution to a dispensing organization must be entered into a data collection system, packaged and labeled under Section 55-21, and placed into a cannabis container for transport. All cannabis harvested by a cultivation center and intended for distribution to a craft grower or infuser organization must be packaged in a labeled cannabis container and entered into a data collection system before transport.

(g) Cultivation centers are subject to random inspections by the Commission ~~Department of Agriculture~~, the Department of Public Health, local safety or health inspectors, the Illinois State Police, or as provided by rule.

(h) A cultivation center agent shall notify local law enforcement, the Illinois State Police, and the Commission ~~Department of Agriculture~~ within 24 hours of the discovery of any loss or theft. Notification shall be made by phone or in person, or by written or electronic communication.

(i) A cultivation center shall comply with all State and

any applicable federal rules and regulations regarding the use of pesticides on cannabis plants.

(j) No person or entity shall hold any legal, equitable, ownership, or beneficial interest, directly or indirectly, of more than 3 cultivation centers licensed under this Article. Further, no person or entity that is employed by, an agent of, has a contract to receive payment in any form from a cultivation center, is a principal officer of a cultivation center, or entity controlled by or affiliated with a principal officer of a cultivation shall hold any legal, equitable, ownership, or beneficial interest, directly or indirectly, in a cultivation that would result in the person or entity owning or controlling in combination with any cultivation center, principal officer of a cultivation center, or entity controlled or affiliated with a principal officer of a cultivation center by which he, she, or it is employed, is an agent of, or participates in the management of, more than 3 cultivation center licenses.

(k) A cultivation center may not contain more than 210,000 square feet of canopy space for plants in the flowering stage for cultivation of adult use cannabis as provided in this Act.

(l) A cultivation center may process cannabis, cannabis concentrates, and cannabis-infused products.

(m) Beginning July 1, 2020, a cultivation center shall not transport cannabis or cannabis-infused products to a craft grower, dispensing organization, infuser organization, or

laboratory licensed under this Act, unless it has obtained a transporting organization license.

(n) It is unlawful for any person having a cultivation center license or any officer, associate, member, representative, or agent of such licensee to offer or deliver money, or anything else of value, directly or indirectly to any person having an Early Approval Adult Use Dispensing Organization License, a Conditional Adult Use Dispensing Organization License, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Program ~~Act~~, or to any person connected with or in any way representing, or to any member of the family of, such person holding an Early Approval Adult Use Dispensing Organization License, a Conditional Adult Use Dispensing Organization License, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Program ~~Act~~, or to any stockholders in any corporation engaged in the retail sale of cannabis, or to any officer, manager, agent, or representative of the Early Approval Adult Use Dispensing Organization License, a Conditional Adult Use Dispensing Organization License, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Program ~~Act~~ to obtain preferential placement within the dispensing

organization, including, without limitation, on shelves and in display cases where purchasers can view products, or on the dispensing organization's website.

(o) A cultivation center must comply with any other requirements or prohibitions set by administrative rule of the Commission ~~Department of Agriculture~~.

(Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 102-98, eff. 7-15-21; 102-538, eff. 8-20-21; revised 11-9-21.)

(410 ILCS 705/20-55)

Sec. 20-55. Disclosure of ownership and control.

(a) Each Adult Use Cultivation Center applicant and license holder shall file and maintain a Table of Organization, Ownership, and Control with the Commission ~~Department~~. The Table of Organization, Ownership, and Control shall contain the information required by this Section in sufficient detail to identify all owners, directors, and principal officers, and the title of each principal officer or business entity that, through direct or indirect means, manages, owns, or controls the applicant or license holder.

(b) The Table of Organization, Ownership, and Control shall identify the following information:

(1) The management structure, ownership, and control of the applicant or license holder including the name of each principal officer or business entity, the office or position held, and the percentage ownership interest, if

any. If the business entity has a parent company, the name of each owner, board member, and officer of the parent company and his or her percentage ownership interest in the parent company and the Adult Use Cultivation Center.

(2) If the applicant or licensee is a business entity with publicly traded stock, the identification of ownership shall be provided as required in subsection (c).

(c) If a business entity identified in subsection (b) is a publicly traded company, the following information shall be provided in the Table of Organization, Ownership, and Control:

(1) The name and percentage of ownership interest of each individual or business entity with ownership of more than 5% of the voting shares of the entity, to the extent such information is known or contained in 13D or 13G Securities and Exchange Commission filings.

(2) To the extent known, the names and percentage of interest of ownership of persons who are relatives of one another and who together exercise control over or own more than 10% of the voting shares of the entity.

(d) An Adult Use Cultivation Center with a parent company or companies, or partially owned or controlled by another entity must disclose to the Commission ~~Department~~ the relationship and all owners, board members, officers, or individuals with control or management of those entities. An Adult Use Cultivation Center shall not shield its ownership or control from the Department.

(e) All principal officers must submit a complete online application with the Commission ~~Department~~ within 14 days of the Adult Use Cultivation Center being licensed by the Commission ~~Department~~ or within 14 days of Commission ~~Department~~ notice of approval as a new principal officer.

(f) A principal officer may not allow his or her registration to expire.

(g) An Adult Use Cultivation Center separating with a principal officer must do so under this Act. The principal officer must communicate the separation to the Commission ~~Department~~ within 5 business days.

(h) A principal officer not in compliance with the requirements of this Act shall be removed from his or her position with the Adult Use Cultivation Center or shall otherwise terminate his or her affiliation. Failure to do so may subject the Adult Use Cultivation Center to discipline, suspension, or revocation of its license by the Commission ~~Department~~.

(i) It is the responsibility of the Adult Use Cultivation Center and its principal officers to promptly notify the Commission ~~Department~~ of any change of the principal place of business address, hours of operation, change in ownership or control, or a change of the Adult Use Cultivation Center's primary or secondary contact information. Any changes must be made to the Commission ~~Department~~ in writing.

(Source: P.A. 102-98, eff. 7-15-21.)

(410 ILCS 705/25-1)

(Section scheduled to be repealed on July 1, 2026)

Sec. 25-1. Definitions. In this Article:

"Board" means the Illinois Community College Board.

"Career in Cannabis Certificate" or "Certificate" means the certification awarded to a community college student who completes a prescribed course of study in cannabis and cannabis business industry related classes and curriculum at a community college awarded a Community College Cannabis Vocational Pilot Program license.

"Commission" means the Cannabis Equity and Oversight Commission.

"Community college" means a public community college organized under the Public Community College Act.

~~"Department" means the Department of Agriculture.~~

"Licensee" means a community college awarded a Community College Cannabis Vocational Pilot Program license under this Article.

"Program" means the Community College Cannabis Vocational Pilot Program.

"Program license" means a Community College Cannabis Vocational Pilot Program license issued to a community college under this Article.

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

(410 ILCS 705/25-5)

(Section scheduled to be repealed on July 1, 2026)

Sec. 25-5. Administration.

(a) The Commission ~~Department~~ shall establish and administer the Program in coordination with the Illinois Community College Board. The Commission ~~Department~~ may issue Program licenses to applicants that meet the requirements outlined in this Article.

(b) Beginning with the 2021-2022 academic year, and subject to subsection (h) of Section 2-12 of the Public Community College Act, community colleges awarded Program licenses may offer qualifying students a Career in Cannabis Certificate, which includes, but is not limited to, courses that allow participating students to work with, study, and grow live cannabis plants so as to prepare students for a career in the legal cannabis industry, and to instruct participating students on the best business practices, professional responsibility, and legal compliance of the cannabis business industry.

(c) The Board may issue rules pertaining to the provisions in this Act.

(d) Notwithstanding any other provision of this Act, students shall be at least 18 years old in order to enroll in a licensee's Career in Cannabis Certificate's prescribed course of study.

(Source: P.A. 101-27, eff. 6-25-19; 102-98, eff. 7-15-21.)

(410 ILCS 705/25-10)

(Section scheduled to be repealed on July 1, 2026)

Sec. 25-10. Issuance of Community College Cannabis Vocational Pilot Program licenses.

(a) The Commission ~~Department~~ shall issue rules regulating the selection criteria for applicants by January 1, 2020. The Commission ~~Department~~ shall make the application for a Program license available no later than February 1, 2020, and shall require that applicants submit the completed application no later than July 1, 2020. If the Commission ~~Department~~ issues fewer than 8 Program licenses by September 1, 2020, the Commission ~~Department~~ may accept applications at a future date as prescribed by rule.

(b) The Commission ~~Department~~ shall by rule develop a system to score Program licenses to administratively rank applications based on the clarity, organization, and quality of the applicant's responses to required information. Applicants shall be awarded points that are based on or that meet the following categories:

(1) Geographic diversity of the applicants;

(2) Experience and credentials of the applicant's faculty;

(3) At least 5 Program license awardees must have a student population that is more than 50% low-income in each of the past 4 years;

(4) Security plan, including a requirement that all cannabis plants be in an enclosed, locked facility;

(5) Curriculum plan, including processing and testing curriculum for the Career in Cannabis Certificate;

(6) Career advising and placement plan for participating students; and

(7) Any other criteria the Commission ~~Department~~ may set by rule.

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

(410 ILCS 705/25-15)

(Section scheduled to be repealed on July 1, 2026)

Sec. 25-15. Community College Cannabis Vocational Pilot Program requirements and prohibitions.

(a) Licensees shall not have more than 50 flowering cannabis plants at any one time.

(b) The agent-in-charge shall keep a vault log of the licensee's enclosed, locked facility or facilities, including but not limited to, the person entering the site location, the time of entrance, the time of exit, and any other information the Commission ~~Department~~ may set by rule.

(c) Cannabis shall not be removed from the licensee's facility, except for the limited purpose of shipping a sample to a laboratory registered under this Act.

(d) The licensee shall limit keys, access cards, or an access code to the licensee's enclosed, locked facility, or

facilities, to cannabis curriculum faculty and college security personnel with a bona fide need to access the facility for emergency purposes.

(e) A transporting organization may transport cannabis produced pursuant to this Article to a laboratory registered under this Act. All other cannabis produced by the licensee that was not shipped to a registered laboratory shall be destroyed within 5 weeks of being harvested.

(f) Licensees shall subscribe to the Commission ~~Department~~ of Agriculture's cannabis plant monitoring system.

(g) Licensees shall maintain a weekly inventory system.

(h) No student participating in the cannabis curriculum necessary to obtain a Certificate may be in the licensee's facility unless a faculty agent-in-charge is also physically present in the facility.

(i) Licensees shall conduct post-certificate follow up surveys and record participating students' job placements within the cannabis business industry within a year of the student's completion.

(j) The Illinois Community College Board shall report annually to the Commission ~~Department~~ on the race, ethnicity, and gender of all students participating in the cannabis curriculum necessary to obtain a Certificate, and of those students who obtain a Certificate.

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

(410 ILCS 705/25-25)

(Section scheduled to be repealed on July 1, 2026)

Sec. 25-25. Enforcement.

(a) The Commission ~~Department~~ has the authority to suspend or revoke any faculty agent-in-charge or agent identification card for any violation found under this Article.

(b) The Commission ~~Department~~ has the authority to suspend or revoke any Program license for any violation found under this Article.

(c) The Board shall revoke the authority to offer the Certificate of any community college that has had its license revoked by the Commission ~~Department~~.

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

(410 ILCS 705/25-30)

(Section scheduled to be repealed on July 1, 2026)

Sec. 25-30. Inspection rights.

(a) A licensee's enclosed, locked facilities are subject to random inspections by the Commission ~~Department~~, the Illinois State Police, or as provided by rule.

(b) Nothing in this Section shall be construed to give the Commission ~~Department~~, the Illinois State Police, or any other entity identified by rule under subsection (a) a right of inspection or access to any location on the licensee's premises beyond the facilities licensed under this Article.

(Source: P.A. 101-27, eff. 6-25-19; 102-98, eff. 7-15-21;

102-538, eff. 8-20-21; revised 10-21-21.)

(410 ILCS 705/25-35)

(Section scheduled to be repealed on July 1, 2026)

Sec. 25-35. Community College Cannabis Vocational Training Pilot Program faculty participant agent identification card.

(a) The Commission ~~Department~~ shall:

(1) establish by rule the information required in an initial application or renewal application for an agent identification card submitted under this Article and the nonrefundable fee to accompany the initial application or renewal application;

(2) verify the information contained in an initial application or renewal application for an agent identification card submitted under this Article, and approve or deny an application within 30 days of receiving a completed initial application or renewal application and all supporting documentation required by rule;

(3) issue an agent identification card to a qualifying agent within 15 business days of approving the initial application or renewal application;

(4) enter the license number of the community college where the agent works; and

(5) allow for an electronic initial application and renewal application process, and provide a confirmation by electronic or other methods that an application has been

submitted. The Commission ~~Each Department~~ may by rule require prospective agents to file their applications by electronic means and to provide notices to the agents by electronic means.

(b) An agent must keep his or her identification card visible at all times when in the enclosed, locked facility, or facilities for which he or she is an agent.

(c) The agent identification cards shall contain the following:

(1) the name of the cardholder;

(2) the date of issuance and expiration date of the identification card;

(3) a random 10-digit alphanumeric identification number containing at least 4 numbers and at least 4 letters that is unique to the holder;

(4) a photograph of the cardholder; and

(5) the legal name of the community college employing the agent.

(d) An agent identification card shall be immediately returned to the community college of the agent upon termination of his or her employment.

(e) Any agent identification card lost shall be reported to the Illinois State Police and the Commission ~~Department of Agriculture~~ immediately upon discovery of the loss.

(f) An agent applicant may begin employment at a Community College Cannabis Vocational Training Pilot Program while the

agent applicant's identification card application is pending. Upon approval, the Commission ~~Department~~ shall issue the agent's identification card to the agent. If denied, the Community College Cannabis Vocational Training Pilot Program and the agent applicant shall be notified and the agent applicant must cease all activity at the Community College Cannabis Vocational Training Pilot Program immediately.

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

(410 ILCS 705/25-40)

(Section scheduled to be repealed on July 1, 2026)

Sec. 25-40. Study. By December 31, 2025, the Commission ~~Illinois Cannabis Regulation Oversight Officer~~, in coordination with the Board, must issue a report to the Governor and the General Assembly which includes, but is not limited to, the following:

(1) Number of security incidents or infractions at each licensee and any action taken or not taken;

(2) Statistics, based on race, ethnicity, gender, and participating community college of:

(A) students enrolled in career in cannabis classes;

(B) successful completion rates by community college students for the Certificate;

(C) postgraduate job placement of students who

obtained a Certificate, including both cannabis business establishment jobs and non-cannabis business establishment jobs; and

(3) Any other relevant information.

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

(410 ILCS 705/30-3)

Sec. 30-3. Definition. In this Article, "Commission" means the Cannabis Equity and Oversight Commission.

~~"Department" means the Department of Agriculture.~~

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

(410 ILCS 705/30-5)

Sec. 30-5. Issuance of licenses.

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

(b) By December 21, 2021, the Commission ~~Department of Agriculture~~ shall issue up to 60 additional craft grower licenses. Any person or entity awarded a license pursuant to this subsection shall not hold more than 2 craft grower licenses. The person or entity awarded a license pursuant to this subsection or subsection (a) of this Section may sell its craft grower license subject to the restrictions of this Act

or as determined by administrative rule. Prior to issuing such licenses, the Commission ~~Department~~ may adopt rules through emergency rulemaking in accordance with subsection (kk) of Section 5-45 of the Illinois Administrative Procedure Act, to modify or raise the number of craft grower licenses and modify or change the licensing application process. The General Assembly finds that the adoption of rules to regulate cannabis use is deemed an emergency and necessary for the public interest, safety, and welfare. In determining whether to exercise the authority granted by this subsection, the Commission ~~Department of Agriculture~~ must consider the following factors:

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

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

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

(4) whether there is an oversupply of cannabis in

Illinois leading to trafficking of cannabis to states where the sale of cannabis is not permitted by law;

(5) population increases or shifts;

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

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

(8) the past safety record of craft growers;

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

(10) (blank); and

(11) any other criteria the Commission ~~Department of Agriculture~~ deems relevant.

(c) After January 1, 2022, the Commission ~~Department of Agriculture~~ may by rule modify or raise the number of craft grower licenses and modify or change the licensing application process. At no time may the number of craft grower licenses exceed 150. Any person or entity awarded a license pursuant to this subsection shall not hold more than 3 craft grower licenses. A person or entity awarded a license pursuant to this subsection or subsection (a) or subsection (b) of this Section may sell its craft grower license or licenses subject to the restrictions of this Act or as determined by administrative rule.

(d) Upon the completion of the disparity and availability study pertaining to craft growers the Commission ~~by the~~

~~Cannabis Regulation Oversight Officer pursuant to subsection (e) of Section 5-45, the Department~~ may modify or change the licensing application process to reduce or eliminate barriers from and remedy evidence of discrimination identified in the disparity and availability study.

(e) Notwithstanding any other provision of law, the Commission shall have authority over licenses in this Section that may be in various phases in the licensing process or are eligible, pending, in the conditional phase, awarded, pending adjudication by a judicial process, or have otherwise not been awarded on and after July 1, 2022.

(Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 102-98, eff. 7-15-21.)

(410 ILCS 705/30-10)

Sec. 30-10. Application.

(a) When applying for a license, the applicant shall electronically submit the following in such form as the Commission ~~Department of Agriculture~~ may direct:

(1) the nonrefundable application fee as set by rule by the Commission ~~of $5,000~~ to be deposited into the Cannabis Regulation Fund~~, or another amount as the Department of Agriculture may set by rule after January 1, 2021~~;

(2) the legal name of the craft grower;

(3) the proposed physical address of the craft grower;

(4) the name, address, social security number, and date of birth of each principal officer and board member of the craft grower; each principal officer and board member shall be at least 21 years of age;

(5) the details of any administrative or judicial proceeding in which any of the principal officers or board members of the craft grower (i) pled guilty, were convicted, were fined, or had a registration or license suspended or revoked or (ii) managed or served on the board of a business or non-profit organization that pled guilty, was convicted, was fined, or had a registration or license suspended or revoked;

(6) proposed operating bylaws that include procedures for the oversight of the craft grower, including the development and implementation of a plant monitoring system, accurate recordkeeping, staffing plan, and security plan approved by the Illinois State Police that are in accordance with the rules issued by the Commission ~~Department of Agriculture~~ under this Act; a physical inventory shall be performed of all plants and on a weekly basis by the craft grower;

(7) verification from the Illinois State Police that all background checks of the prospective principal officers, board members, and agents of the cannabis business establishment have been conducted;

(8) a copy of the current local zoning ordinance or

permit and verification that the proposed craft grower is in compliance with the local zoning rules and distance limitations established by the local jurisdiction;

(9) proposed employment practices, in which the applicant must demonstrate a plan of action to inform, hire, and educate minorities, women, veterans, and persons with disabilities, engage in fair labor practices, and provide worker protections;

(10) whether an applicant can demonstrate experience in or business practices that promote economic empowerment in Disproportionately Impacted Areas;

(11) experience with the cultivation of agricultural or horticultural products, operating an agriculturally related business, or operating a horticultural business;

(12) a description of the enclosed, locked facility where cannabis will be grown, harvested, manufactured, packaged, or otherwise prepared for distribution to a dispensing organization or other cannabis business establishment;

(13) a survey of the enclosed, locked facility, including the space used for cultivation;

(14) cultivation, processing, inventory, and packaging plans;

(15) a description of the applicant's experience with agricultural cultivation techniques and industry standards;

(16) a list of any academic degrees, certifications, or relevant experience of all prospective principal officers, board members, and agents of the related business;

(17) the identity of every person having a financial or voting interest of 5% or greater in the craft grower operation, whether a trust, corporation, partnership, limited liability company, or sole proprietorship, including the name and address of each person;

(18) a plan describing how the craft grower will address each of the following:

(i) energy needs, including estimates of monthly electricity and gas usage, to what extent it will procure energy from a local utility or from on-site generation, and if it has or will adopt a sustainable energy use and energy conservation policy;

(ii) water needs, including estimated water draw and if it has or will adopt a sustainable water use and water conservation policy; and

(iii) waste management, including if it has or will adopt a waste reduction policy;

(19) a recycling plan:

(A) Purchaser packaging, including cartridges, shall be accepted by the applicant and recycled.

(B) Any recyclable waste generated by the craft grower facility shall be recycled per applicable State

and local laws, ordinances, and rules.

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

(20) a commitment to comply with local waste provisions: a craft grower facility must remain in compliance with applicable State and federal environmental requirements, including, but not limited to:

(A) storing, securing, and managing all recyclables and waste, including organic waste composed of or containing finished cannabis and cannabis products, in accordance with applicable State and local laws, ordinances, and rules; and

(B) disposing liquid waste containing cannabis or byproducts of cannabis processing in compliance with all applicable State and federal requirements, including, but not limited to, the cannabis cultivation facility's permits under Title X of the Environmental Protection Act;

(21) a commitment to a technology standard for resource efficiency of the craft grower facility.

(A) A craft grower facility commits to use resources efficiently, including energy and water. For the following, a cannabis cultivation facility commits to meet or exceed the technology standard identified in paragraphs (i), (ii), (iii), and (iv), which may be modified by rule:

(i) lighting systems, including light bulbs;

(ii) HVAC system;

(iii) water application system to the crop; and

(iv) filtration system for removing contaminants from wastewater.

(B) Lighting. The Lighting Power Densities (LPD) for cultivation space commits to not exceed an average of 36 watts per gross square foot of active and growing space canopy, or all installed lighting technology shall meet a photosynthetic photon efficacy (PPE) of no less than 2.2 micromoles per joule fixture and shall be featured on the DesignLights Consortium (DLC) Horticultural Specification Qualified Products List (QPL). In the event that DLC requirement for minimum efficacy exceeds 2.2 micromoles per joule fixture, that PPE shall become the new standard.

(C) HVAC.

(i) For cannabis grow operations with less than 6,000 square feet of canopy, the licensee

commits that all HVAC units will be high-efficiency ductless split HVAC units, or other more energy efficient equipment.

(ii) For cannabis grow operations with 6,000 square feet of canopy or more, the licensee commits that all HVAC units will be variable refrigerant flow HVAC units, or other more energy efficient equipment.

(D) Water application.

(i) The craft grower facility commits to use automated watering systems, including, but not limited to, drip irrigation and flood tables, to irrigate cannabis crop.

(ii) The craft grower facility commits to measure runoff from watering events and report this volume in its water usage plan, and that on average, watering events shall have no more than 20% of runoff of water.

(E) Filtration. The craft grower commits that HVAC condensate, dehumidification water, excess runoff, and other wastewater produced by the craft grower facility shall be captured and filtered to the best of the facility's ability to achieve the quality needed to be reused in subsequent watering rounds.

(F) Reporting energy use and efficiency as required by rule; and

(22) any other information required by rule.

(b) Applicants must submit all required information~~, including the information required in Section 30-15, to the Department of Agriculture~~. Failure by an applicant to submit all required information may result in the application being disqualified.

(c) (Blank). ~~If the Department of Agriculture receives an application with missing information, the Department of Agriculture may issue a deficiency notice to the applicant. The applicant shall have 10 calendar days from the date of the deficiency notice to resubmit the incomplete information. Applications that are still incomplete after this opportunity to cure will not be scored and will be disqualified.~~

(Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 102-538, eff. 8-20-21.)

(410 ILCS 705/30-20)

Sec. 30-20. Issuance of license to certain persons prohibited.

(a) No craft grower license issued by the Commission ~~Department of Agriculture~~ shall be issued to a person who is licensed by any licensing authority as a cultivation center, or to any partnership, corporation, limited liability company, or trust or any subsidiary, affiliate, or any other form of business enterprise having more than 10% legal, equitable, or beneficial interest, directly or indirectly, in a person

licensed in this State as a cultivation center, or to any principal officer, agent, employee, or human being with any form of ownership or control over a cultivation center except for a person who owns no more than 5% of the outstanding shares of a cultivation center whose shares are publicly traded on an exchange within the meaning of the Securities Exchange Act of 1934.

(b) A person who is licensed in this State as a craft grower, or any partnership, corporation, limited liability company, or trust or any subsidiary, affiliate, or agent thereof, or any other form of business enterprise licensed in this State as a craft grower shall not have more than 10% legal, equitable, or beneficial interest, directly or indirectly, in a person licensed as a cultivation center, nor shall any partnership, corporation, limited liability company, or trust or any subsidiary, affiliate, or any other form of business enterprise having any legal, equitable, or beneficial interest, directly or indirectly, in a person licensed in this State as a craft grower or a craft grower agent be a principal officer, agent, employee, or human being with any form of ownership or control over a cultivation center except for a person who owns no more than 5% of the outstanding shares of a cultivation center whose shares are publicly traded on an exchange within the meaning of the Securities Exchange Act of 1934.

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

(410 ILCS 705/30-30)

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

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

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

(c) All cultivation of cannabis by a craft grower must take place in an enclosed, locked facility at the physical address provided to the Commission ~~Department of Agriculture~~ during the licensing process. The craft grower location shall only be accessed by the agents working for the craft grower, the Commission ~~Department of Agriculture~~ staff performing inspections, the Department of Public Health staff performing inspections, State and local law enforcement or other emergency personnel, contractors working on jobs unrelated to cannabis, such as installing or maintaining security devices

or performing electrical wiring, transporting organization agents as provided in this Act, or participants in the incubator program, individuals in a mentoring or educational program approved by the State, or other individuals as provided by rule. However, if a craft grower shares a premises with an infuser or dispensing organization, agents from those other licensees may access the craft grower portion of the premises if that is the location of common bathrooms, lunchrooms, locker rooms, or other areas of the building where work or cultivation of cannabis is not performed. At no time may an infuser or dispensing organization agent perform work at a craft grower without being a registered agent of the craft grower.

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

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

(f) A craft grower may not either directly or indirectly discriminate in price between different cannabis business establishments that are purchasing a like grade, strain, brand, and quality of cannabis or cannabis-infused product. Nothing in this subsection (f) prevents a craft grower from pricing cannabis differently based on differences in the cost of manufacturing or processing, the quantities sold, such as

volume discounts, or the way the products are delivered.

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

(h) Craft growers are subject to random inspections by the Commission ~~Department of Agriculture~~, local safety or health inspectors, the Illinois State Police, or as provided by rule.

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

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

(k) A craft grower or craft grower agent shall not transport cannabis or cannabis-infused products to any other

cannabis business establishment without a transport organization license unless:

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

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

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

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

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

beneficial interest, directly or indirectly, in a craft grower license that would result in the person or entity owning or controlling in combination with any craft grower, principal officer of a craft grower, or entity controlled or affiliated with a principal officer of a craft grower by which he, she, or it is employed, is an agent of, or participates in the management of more than 3 craft grower licenses.

(n) It is unlawful for any person having a craft grower license or any officer, associate, member, representative, or agent of the licensee to offer or deliver money, or anything else of value, directly or indirectly, to any person having an Early Approval Adult Use Dispensing Organization License, a Conditional Adult Use Dispensing Organization License, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Program ~~Act~~, or to any person connected with or in any way representing, or to any member of the family of, the person holding an Early Approval Adult Use Dispensing Organization License, a Conditional Adult Use Dispensing Organization License, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Program ~~Act~~, or to any stockholders in any corporation engaged in the retail sale of cannabis, or to any officer, manager, agent, or representative of the Early Approval Adult Use Dispensing Organization License, a

Conditional Adult Use Dispensing Organization License, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Program ~~Act~~ to obtain preferential placement within the dispensing organization, including, without limitation, on shelves and in display cases where purchasers can view products, or on the dispensing organization's website.

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

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

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

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

(410 ILCS 705/30-45)

Sec. 30-45. Renewal of craft grower licenses and agent identification cards.

(a) Licenses and identification cards issued under this Act shall be renewed annually. A craft grower shall receive written or electronic notice 90 days before the expiration of its current license that the license will expire. The

Commission ~~Department of Agriculture~~ shall grant a renewal within 45 days of submission of a renewal application if:

(1) the craft grower submits a renewal application and the required nonrefundable renewal fee of $40,000, or another amount as the Commission ~~Department of Agriculture~~ may set by rule after January 1, 2021;

(2) the Commission ~~Department of Agriculture~~ has not suspended the license of the craft grower or suspended or revoked the license for violating this Act or rules adopted under this Act;

(3) the craft grower has continued to operate in accordance with all plans submitted as part of its application and approved by the Commission ~~Department of Agriculture~~ or any amendments thereto that have been approved by the Commission ~~Department of Agriculture~~;

(4) the craft grower has submitted an agent, employee, contracting, and subcontracting diversity report as required by the Commission ~~Department~~; and

(5) the craft grower has submitted an environmental impact report.

(b) If a craft grower fails to renew its license before expiration, it shall cease operations until its license is renewed.

(c) If a craft grower agent fails to renew his or her identification card before its expiration, he or she shall cease to work as an agent of the craft grower organization

until his or her identification card is renewed.

(d) Any craft grower that continues to operate, or any craft grower agent who continues to work as an agent, after the applicable license or identification card has expired without renewal is subject to the penalties provided under Section 45-5.

(e) All fees or fines collected from the renewal of a craft grower license shall be deposited into the Cannabis Regulation Fund.

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

(410 ILCS 705/30-55)

Sec. 30-55. Disclosure of ownership and control.

(a) Each craft grower applicant and licensee shall file and maintain a Table of Organization, Ownership, and Control with the Commission ~~Department~~. The Table of Organization, Ownership, and Control shall contain the information required by this Section in sufficient detail to identify all owners, directors, and principal officers, and the title of each principal officer or business entity that, through direct or indirect means, manages, owns, or controls the applicant or licensee.

(b) The Table of Organization, Ownership and Control shall identify the following information:

(1) The management structure, ownership, and control of the applicant or license holder including the name of

each principal officer or business entity, the office or position held, and the percentage ownership interest, if any. If the business entity has a parent company, the name of each owner, board member, and officer of the parent company and his or her percentage ownership interest in the parent company and the craft grower.

(2) If the applicant or licensee is a business entity with publicly traded stock, the identification of ownership shall be provided as required in subsection (c).

(c) If a business entity identified in subsection (b) is a publicly traded company, the following information shall be provided in the Table of Organization, Ownership, and Control:

(1) The name and percentage of ownership interest of each individual or business entity with ownership of more than 5% of the voting shares of the entity, to the extent such information is known or contained in 13D or 13G Securities and Exchange Commission filings.

(2) To the extent known, the names and percentage of interest of ownership of persons who are relatives of one another and who together exercise control over or own more than 10% of the voting shares of the entity.

(d) A craft grower with a parent company or companies, or partially owned or controlled by another entity must disclose to the Commission ~~Department~~ the relationship and all owners, board members, officers, or individuals with control or management of those entities. A craft grower shall not shield

its ownership or control from the Commission ~~Department~~.

(e) All principal officers must submit a complete online application with the Commission ~~Department~~ within 14 days of the craft grower being licensed by the Commission ~~Department~~ or within 14 days of Commission ~~Department~~ notice of approval as a new principal officer.

(f) A principal officer may not allow his or her registration to expire.

(g) A craft grower separating with a principal officer must do so under this Act. The principal officer must communicate the separation to the Commission ~~Department~~ within 5 business days.

(h) A principal officer not in compliance with the requirements of this Act shall be removed from his or her position with the craft grower or shall otherwise terminate his or her affiliation. Failure to do so may subject the craft grower to discipline, suspension, or revocation of its license by the Commission ~~Department~~.

(i) It is the responsibility of the craft grower and its principal officers to promptly notify the Commission ~~Department~~ of any change of the principal place of business address, hours of operation, change in ownership or control, or a change of the craft grower's primary or secondary contact information. Any changes must be made to the Commission ~~Department~~ in writing.

(Source: P.A. 102-98, eff. 7-15-21.)

(410 ILCS 705/35-3)

Sec. 35-3. Definitions. In this Article, "Commission" means the Cannabis Equity and Oversight Commission. ~~:~~

~~"Department" means the Department of Agriculture.~~

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

(410 ILCS 705/35-5)

Sec. 35-5. Issuance of licenses.

(a) The Department of Agriculture shall issue up to 40 infuser licenses through a process provided for in this Article no later than July 1, 2020.

(b) The Commission ~~Department of Agriculture~~ shall make the application for infuser licenses available on January 7, 2020, or if that date falls on a weekend or holiday, the business day immediately succeeding the weekend or holiday and every January 7 or succeeding business day thereafter, and shall receive such applications no later than March 15, 2020, or, if that date falls on a weekend or holiday, the business day immediately succeeding the weekend or holiday and every March 15 or succeeding business day thereafter.

(c) By December 21, 2021, the Department of Agriculture may issue up to 60 additional infuser licenses. If the Department of Agriculture has not issued licenses under subsection (c) of this Article prior to July 1, 2022, the Commission may issue the licenses. Prior to issuing such

licenses, the Commission ~~Department~~ may adopt rules through emergency rulemaking in accordance with subsection (kk) of Section 5-45 of the Illinois Administrative Procedure Act, to modify or raise the number of infuser licenses and modify or change the licensing application process to reduce or eliminate barriers. The General Assembly finds that the adoption of rules to regulate cannabis use is deemed an emergency and necessary for the public interest, safety, and welfare.

In determining whether to exercise the authority granted by this subsection, the Commission ~~Department of Agriculture~~ must consider the following factors:

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

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

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

(4) whether there is an oversupply of cannabis in

Illinois leading to trafficking of cannabis to any other state;

(5) population increases or shifts;

(6) changes to federal law;

(7) perceived security risks of increasing the number or location of infuser organizations;

(8) the past security records of infuser organizations;

(9) the Commission's ~~Department of Agriculture's~~ capacity to appropriately regulate additional licenses;

(10) (blank); and

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

(d) After January 1, 2022, the Commission Commission ~~Department of Agriculture~~ may by rule modify or raise the number of infuser licenses, and modify or change the licensing application process to reduce or eliminate barriers based on the criteria in subsection (c).

(e) Upon the completion of the disparity and availability study pertaining to infusers by the Commission ~~Cannabis Regulation Oversight Officer pursuant to subsection (c) of Section 5-45, the Department of Agriculture~~ may modify or change the licensing application process to reduce or eliminate barriers and remedy evidence of discrimination identified in the study.

(f) Notwithstanding, any other provision of law, the

Commission shall have authority over licenses in this Article that may be in various phases in the licensing process, are eligible, pending, in the conditional phase, awarded, pending adjudication by a judicial process, or have otherwise not been awarded on and after July 1, 2022.

(Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 102-98, eff. 7-15-21.)

(410 ILCS 705/35-10)

Sec. 35-10. Application.

(a) When applying for a license, the applicant shall electronically submit the following in such form as the Commission ~~Department of Agriculture~~ may direct:

(1) the nonrefundable application fee as set by rule by the Commission, ~~of $5,000 or, after January 1, 2021, another amount as set by rule by the Department of Agriculture,~~ to be deposited into the Cannabis Regulation Fund;

(2) the legal name of the infuser;

(3) the proposed physical address of the infuser;

(4) the name, address, social security number, and date of birth of each principal officer and board member of the infuser; each principal officer and board member shall be at least 21 years of age;

(5) the details of any administrative or judicial proceeding in which any of the principal officers or board

members of the infuser (i) pled guilty, were convicted, fined, or had a registration or license suspended or revoked, or (ii) managed or served on the board of a business or non-profit organization that pled guilty, was convicted, fined, or had a registration or license suspended or revoked;

(6) proposed operating bylaws that include procedures for the oversight of the infuser, including the development and implementation of a plant monitoring system, accurate recordkeeping, staffing plan, and security plan approved by the Illinois State Police that are in accordance with the rules issued by the Commission ~~Department of Agriculture~~ under this Act; a physical inventory of all cannabis shall be performed on a weekly basis by the infuser;

(7) verification from the Illinois State Police that all background checks of the prospective principal officers, board members, and agents of the infuser organization have been conducted;

(8) a copy of the current local zoning ordinance and verification that the proposed infuser is in compliance with the local zoning rules and distance limitations established by the local jurisdiction;

(9) proposed employment practices, in which the applicant must demonstrate a plan of action to inform, hire, and educate minorities, women, veterans, and persons

with disabilities, engage in fair labor practices, and provide worker protections;

(10) whether an applicant can demonstrate experience in or business practices that promote economic empowerment in Disproportionately Impacted Areas;

(11) experience with infusing products with cannabis concentrate;

(12) a description of the enclosed, locked facility where cannabis will be infused, packaged, or otherwise prepared for distribution to a dispensing organization or other infuser;

(13) processing, inventory, and packaging plans;

(14) a description of the applicant's experience with operating a commercial kitchen or laboratory preparing products for human consumption;

(15) a list of any academic degrees, certifications, or relevant experience of all prospective principal officers, board members, and agents of the related business;

(16) the identity of every person having a financial or voting interest of 5% or greater in the infuser operation with respect to which the license is sought, whether a trust, corporation, partnership, limited liability company, or sole proprietorship, including the name and address of each person;

(17) a plan describing how the infuser will address

each of the following:

(i) energy needs, including estimates of monthly electricity and gas usage, to what extent it will procure energy from a local utility or from on-site generation, and if it has or will adopt a sustainable energy use and energy conservation policy;

(ii) water needs, including estimated water draw, and if it has or will adopt a sustainable water use and water conservation policy; and

(iii) waste management, including if it has or will adopt a waste reduction policy;

(18) a recycling plan:

(A) a commitment that any recyclable waste generated by the infuser shall be recycled per applicable State and local laws, ordinances, and rules; and

(B) a commitment to comply with local waste provisions. An infuser commits to remain in compliance with applicable State and federal environmental requirements, including, but not limited to, storing, securing, and managing all recyclables and waste, including organic waste composed of or containing finished cannabis and cannabis products, in accordance with applicable State and local laws, ordinances, and rules; and

(19) any other information required by rule.

(b) Applicants must submit all required information~~, including the information required in Section 35-15, to the Department of Agriculture~~. Failure by an applicant to submit all required information may result in the application being disqualified.

(c) (Blank). ~~If the Department of Agriculture receives an application with missing information, the Department of Agriculture may issue a deficiency notice to the applicant. The applicant shall have 10 calendar days from the date of the deficiency notice to resubmit the incomplete information. Applications that are still incomplete after this opportunity to cure will not be scored and will be disqualified.~~

(Source: P.A. 101-27, eff. 6-25-19; 102-538, eff. 8-20-21.)

(410 ILCS 705/35-25)

Sec. 35-25. Infuser organization requirements; prohibitions.

(a) The operating documents of an infuser shall include procedures for the oversight of the infuser, an inventory monitoring system including a physical inventory recorded weekly, accurate recordkeeping, and a staffing plan.

(b) An infuser shall implement a security plan reviewed by the Illinois State Police that includes, but is not limited to: facility access controls, perimeter intrusion detection systems, personnel identification systems, and a 24-hour surveillance system to monitor the interior and exterior of

the infuser facility and that is accessible to authorized law enforcement, the Department of Public Health, and the Commission ~~Department of Agriculture~~ in real time.

(c) All processing of cannabis by an infuser must take place in an enclosed, locked facility at the physical address provided to the Commission ~~Department of Agriculture~~ during the licensing process. The infuser location shall only be accessed by the agents working for the infuser, the Commission ~~Department of Agriculture~~ staff performing inspections, the Department of Public Health staff performing inspections, State and local law enforcement or other emergency personnel, contractors working on jobs unrelated to cannabis, such as installing or maintaining security devices or performing electrical wiring, transporting organization agents as provided in this Act, participants in the incubator program, individuals in a mentoring or educational program approved by the State, local safety or health inspectors, or other individuals as provided by rule. However, if an infuser shares a premises with a craft grower or dispensing organization, agents from these other licensees may access the infuser portion of the premises if that is the location of common bathrooms, lunchrooms, locker rooms, or other areas of the building where processing of cannabis is not performed. At no time may a craft grower or dispensing organization agent perform work at an infuser without being a registered agent of the infuser.

(d) An infuser may not sell or distribute any cannabis to any person other than a dispensing organization, or as otherwise authorized by rule.

(e) An infuser may not either directly or indirectly discriminate in price between different cannabis business establishments that are purchasing a like grade, strain, brand, and quality of cannabis or cannabis-infused product. Nothing in this subsection (e) prevents an infuser from pricing cannabis differently based on differences in the cost of manufacturing or processing, the quantities sold, such volume discounts, or the way the products are delivered.

(f) All cannabis infused by an infuser and intended for distribution to a dispensing organization must be entered into a data collection system, packaged and labeled under Section 55-21, and, if distribution is to a dispensing organization that does not share a premises with the infuser, placed into a cannabis container for transport. All cannabis produced by an infuser and intended for distribution to a cultivation center, infuser organization, or craft grower with which it does not share a premises, must be packaged in a labeled cannabis container and entered into a data collection system before transport.

(g) Infusers are subject to random inspections by the Commission ~~Department of Agriculture~~, the Department of Public Health, the Illinois State Police, local law enforcement, or as provided by rule.

(h) An infuser agent shall notify local law enforcement, the Illinois State Police, and the Commission ~~Department of Agriculture~~ within 24 hours of the discovery of any loss or theft. Notification shall be made by phone, in person, or by written or electronic communication.

(i) An infuser organization may not be located in an area zoned for residential use.

(j) An infuser or infuser agent shall not transport cannabis or cannabis-infused products to any other cannabis business establishment without a transport organization license unless:

(i) If the infuser is located in a county with a population of 3,000,000 or more, the cannabis business establishment receiving the cannabis or cannabis-infused product is within 2,000 feet of the property line of the infuser;

(ii) If the infuser is located in a county with a population of more than 700,000 but fewer than 3,000,000, the cannabis business establishment receiving the cannabis or cannabis-infused product is within 2 miles of the infuser; or

(iii) If the infuser is located in a county with a population of fewer than 700,000, the cannabis business establishment receiving the cannabis or cannabis-infused product is within 15 miles of the infuser.

(k) An infuser may enter into a contract with a

transporting organization to transport cannabis to a dispensing organization or a laboratory.

(l) An infuser organization may share premises with a craft grower or a dispensing organization, or both, provided each licensee stores currency and cannabis or cannabis-infused products in a separate secured vault to which the other licensee does not have access or all licensees sharing a vault share more than 50% of the same ownership.

(m) It is unlawful for any person or entity having an infuser organization license or any officer, associate, member, representative or agent of such licensee to offer or deliver money, or anything else of value, directly or indirectly to any person having an Early Approval Adult Use Dispensing Organization License, a Conditional Adult Use Dispensing Organization License, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Program ~~Act~~, or to any person connected with or in any way representing, or to any member of the family of, such person holding an Early Approval Adult Use Dispensing Organization License, a Conditional Adult Use Dispensing Organization License, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Program ~~Act~~, or to any stockholders in any corporation engaged the retail sales of cannabis, or to any officer, manager, agent,

or representative of the Early Approval Adult Use Dispensing Organization License, a Conditional Adult Use Dispensing Organization License, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Program ~~Act~~ to obtain preferential placement within the dispensing organization, including, without limitation, on shelves and in display cases where purchasers can view products, or on the dispensing organization's website.

(n) At no time shall an infuser organization or an infuser agent perform the extraction of cannabis concentrate from cannabis flower.

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

(410 ILCS 705/35-31)

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

(a) As used in this Section, "raw materials" includes, but is not limited to, CO_2 hash oil, "crude", "distillate", or any other cannabis concentrate extracted from cannabis flower by use of a solvent or a mechanical process.

(b) The Commission ~~Department of Agriculture~~ may by rule design a method for assessing whether licensed infusers have access to an adequate supply of reasonably affordable raw

materials, which may include but not be limited to: (i) a survey of infusers; (ii) a market study on the sales trends of cannabis-infused products manufactured by infusers; and (iii) the costs cultivation centers and craft growers assume for the raw materials they use in any cannabis-infused products they manufacture.

(c) The Commission ~~Department of Agriculture~~ shall perform an annual assessment of whether infusers have access to an adequate supply of reasonably affordable raw materials that shall start 6 months after the issuance of licenses to infusers, or sooner if the Commission has reason to believe that infusers do not have an adequate supply of raw materials. After the initial annual assessment, each assessment thereafter shall occur by January 1st of each year ~~start no sooner than January 1, 2022 and shall conclude no later than April 1, 2022. The Department of Agriculture may rely on data from the Illinois Cannabis Regulation Oversight Officer as part of this assessment~~.

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

(e) The Commission ~~Department of Agriculture~~ may by rule

adopt measures to ensure infusers have access to an adequate supply of reasonably affordable raw materials necessary for the manufacture of cannabis-infused products. Such measures may include, but not be limited to (i) requiring cultivation centers and craft growers to set aside a minimum amount of raw materials for the wholesale market or (ii) enabling infusers to apply for a processor license to extract raw materials from cannabis flower.

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

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

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

(3) expertise in relevant scientific fields;

(4) a commitment that any cannabis waste, liquid waste, or hazardous waste shall be disposed of in accordance with 8 Ill. Adm. Code 1000.460, except, to the

greatest extent feasible, all cannabis plant waste will be rendered unusable by grinding and incorporating the cannabis plant waste with compostable mixed waste to be disposed of in accordance with Ill. Adm. Code 1000.460(g)(1); and

(5) any other information the Commission ~~Department of Agriculture~~ deems relevant.

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

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

(410 ILCS 705/35-45)

Sec. 35-45. Disclosure of ownership and control.

(a) Each infuser organization applicant and licensee shall file and maintain a Table of Organization, Ownership and Control with the Commission ~~Department~~. The Table of Organization, Ownership and Control shall contain the information required by this Section in sufficient detail to identify all owners, directors, and principal officers, and the title of each principal officer or business entity that,

through direct or indirect means, manages, owns, or controls the applicant or licensee.

(b) The Table of Organization, Ownership, and Control shall identify the following information:

(1) The management structure, ownership, and control of the applicant or license holder including the name of each principal officer or business entity, the office or position held, and the percentage ownership interest, if any. If the business entity has a parent company, the name of each owner, board member, and officer of the parent company and his or her percentage ownership interest in the parent company and the infuser organization.

(2) If the applicant or licensee is a business entity with publicly traded stock, the identification of ownership shall be provided as required in subsection (c).

(c) If a business entity identified in subsection (b) is a publicly traded company, the following information shall be provided in the Table of Organization, Ownership, and Control:

(1) The name and percentage of ownership interest of each individual or business entity with ownership of more than 5% of the voting shares of the entity, to the extent such information is known or contained in 13D or 13G Securities and Exchange Commission filings.

(2) To the extent known, the names and percentage of interest of ownership of persons who are relatives of one another and who together exercise control over or own more

than 10% of the voting shares of the entity.

(d) An infuser organization with a parent company or companies, or partially owned or controlled by another entity must disclose to the Commission ~~Department~~ the relationship and all owners, board members, officers, or individuals with control or management of those entities. An infuser organization shall not shield its ownership or control from the Commission ~~Department~~.

(e) All principal officers must submit a complete online application with the Commission ~~Department~~ within 14 days of the infuser organization being licensed by the Commission ~~Department~~ or within 14 days of Commission ~~Department~~ notice of approval as a new principal officer.

(f) A principal officer may not allow his or her registration to expire.

(g) An infuser organization separating with a principal officer must do so under this Act. The principal officer must communicate the separation to the Commission ~~Department~~ within 5 business days.

(h) A principal officer not in compliance with the requirements of this Act shall be removed from his or her position with the infuser organization or shall otherwise terminate his or her affiliation. Failure to do so may subject the infuser organization to discipline, suspension, or revocation of its license by the Commission ~~Department~~.

(i) It is the responsibility of the infuser organization

and its principal officers to promptly notify the Commission ~~Department~~ of any change of the principal place of business address, hours of operation, change in ownership or control, or a change of the infuser organization's primary or secondary contact information. Any changes must be made to the Commission ~~Department~~ in writing.

(Source: P.A. 102-98, eff. 7-15-21.)

(410 ILCS 705/40-1)

Sec. 40-1. Definition. In this Article:~~,~~

"Commission" means the Cannabis Equity and Oversight Commission.

"Department" means the Department of Agriculture.

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

(410 ILCS 705/40-5)

Sec. 40-5. Issuance of licenses.

(a) The Commission ~~Department~~ shall issue transporting licenses through a process provided for in this Article no later than July 1, 2020.

(b) The Commission ~~Department~~ shall make the application for transporting organization licenses available on January 7, 2020 and shall receive such applications no later than March 15, 2020. The Commission ~~Department of Agriculture~~ shall make available such applications on every January 7 thereafter or if that date falls on a weekend or holiday, the business day

immediately succeeding the weekend or holiday and shall receive such applications no later than March 15 or the succeeding business day thereafter.

(c) Notwithstanding any other provision of law, the Commission shall have authority over licenses in this Section that may be in various phases in the licensing process or are eligible, pending, in the conditional phase, awarded, pending adjudication by a judicial process, or have otherwise not been awarded on and after July 1, 2022.

(d) Notwithstanding any other provision of law, the Commission may by rule change, amend, or suspend the licensing provided under this Article.

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

(410 ILCS 705/40-10)

Sec. 40-10. Application.

(a) When applying for a transporting organization license, the applicant shall submit the following in such form as the Commission ~~Department of Agriculture~~ may direct:

(1) the nonrefundable application fee as set by rule by the Commission ~~of $5,000 or, after January 1, 2021, another amount as set by rule by the Department of Agriculture,~~ to be deposited into the Cannabis Regulation Fund;

(2) the legal name of the transporting organization;

(3) the proposed physical address of the transporting

organization, if one is proposed;

(4) the name, address, social security number, and date of birth of each principal officer and board member of the transporting organization; each principal officer and board member shall be at least 21 years of age;

(5) the details of any administrative or judicial proceeding in which any of the principal officers or board members of the transporting organization (i) pled guilty, were convicted, fined, or had a registration or license suspended or revoked, or (ii) managed or served on the board of a business or non-profit organization that pled guilty, was convicted, fined, or had a registration or license suspended or revoked;

(6) proposed operating bylaws that include procedures for the oversight of the transporting organization, including the development and implementation of an accurate recordkeeping plan, staffing plan, and security plan approved by the Illinois State Police that are in accordance with the rules issued by the Commission ~~Department of Agriculture~~ under this Act; a physical inventory shall be performed of all cannabis on a weekly basis by the transporting organization;

(7) verification from the Illinois State Police that all background checks of the prospective principal officers, board members, and agents of the transporting organization have been conducted;

(8) a copy of the current local zoning ordinance or permit and verification that the proposed transporting organization is in compliance with the local zoning rules and distance limitations established by the local jurisdiction, if the transporting organization has a business address;

(9) proposed employment practices, in which the applicant must demonstrate a plan of action to inform, hire, and educate minorities, women, veterans, and persons with disabilities, engage in fair labor practices, and provide worker protections;

(10) whether an applicant can demonstrate experience in or business practices that promote economic empowerment in Disproportionately Impacted Areas;

(11) the number and type of equipment the transporting organization will use to transport cannabis and cannabis-infused products;

(12) loading, transporting, and unloading plans;

(13) a description of the applicant's experience in the distribution or security business;

(14) the identity of every person having a financial or voting interest of 5% or more in the transporting organization with respect to which the license is sought, whether a trust, corporation, partnership, limited liability company, or sole proprietorship, including the name and address of each person; and

(15) any other information required by rule.

(b) Applicants must submit all required information, including the information required in Section 40-35 to the Commission ~~Department~~. Failure by an applicant to submit all required information may result in the application being disqualified.

(c) If the Commission ~~Department~~ receives an application with missing information, the Commission ~~Department of Agriculture~~ may issue a deficiency notice to the applicant. The applicant shall have 10 calendar days from the date of the deficiency notice to resubmit the incomplete information. Applications that are still incomplete after this opportunity to cure will not be scored and will be disqualified.

(Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 102-538, eff. 8-20-21.)

(410 ILCS 705/40-25)

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

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

(b) A transporting organization may not transport cannabis or cannabis-infused products to any person other than a cultivation center, a craft grower, an infuser organization, a

dispensing organization, a testing facility, or as otherwise authorized by rule.

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

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

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

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

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

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

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

website:

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

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

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

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

(j) A transporting organization agent must keep his or her identification card visible at all times when on the property of a cannabis business establishment and during the

transporting of cannabis when acting under his or her duties as a transportation organization agent. During these times, the transporting organization agent must also provide the identification card upon request of any law enforcement officer engaged in his or her official duties.

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

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

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

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

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

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

(410 ILCS 705/40-45)

Sec. 40-45. Disclosure of ownership and control.

(a) Each transporting organization applicant and licensee shall file and maintain a Table of Organization, Ownership,

and Control with the Commission ~~Department~~. The Table of Organization, Ownership, and Control shall contain the information required by this Section in sufficient detail to identify all owners, directors, and principal officers, and the title of each principal officer or business entity that, through direct or indirect means, manages, owns, or controls the applicant or licensee.

(b) The Table of Organization, Ownership, and Control shall identify the following information:

(1) The management structure, ownership, and control of the applicant or license holder including the name of each principal officer or business entity, the office or position held, and the percentage ownership interest, if any. If the business entity has a parent company, the name of each owner, board member, and officer of the parent company and his or her percentage ownership interest in the parent company and the transporting organization.

(2) If the applicant or licensee is a business entity with publicly traded stock, the identification of ownership shall be provided as required in subsection (c).

(c) If a business entity identified in subsection (b) is a publicly traded company, the following information shall be provided in the Table of Organization, Ownership, and Control:

(1) The name and percentage of ownership interest of each individual or business entity with ownership of more than 5% of the voting shares of the entity, to the extent

such information is known or contained in 13D or 13G Securities and Exchange Commission filings.

(2) To the extent known, the names and percentage of interest of ownership of persons who are relatives of one another and who together exercise control over or own more than 10% of the voting shares of the entity.

(d) A transporting organization with a parent company or companies, or partially owned or controlled by another entity must disclose to the Commission ~~Department~~ the relationship and all owners, board members, officers, or individuals with control or management of those entities. A transporting organization shall not shield its ownership or control from the Commission ~~Department~~.

(e) All principal officers must submit a complete online application with the Commission ~~Department~~ within 14 days of the transporting organization being licensed by the Commission ~~Department~~ or within 14 days of Commission ~~Department~~ notice of approval as a new principal officer.

(f) A principal officer may not allow his or her registration to expire.

(g) A transporting organization separating with a principal officer must do so under this Act. The principal officer must communicate the separation to the Commission ~~Department~~ within 5 business days.

(h) A principal officer not in compliance with the requirements of this Act shall be removed from his or her

position with the transporting organization or shall otherwise terminate his or her affiliation. Failure to do so may subject the transporting organization to discipline, suspension, or revocation of its license by the Commission ~~Department~~.

(i) It is the responsibility of the transporting organization and its principal officers to promptly notify the Commission ~~Department~~ of any change of the principal place of business address, hours of operation, change in ownership or control, or a change of the transporting organization's primary or secondary contact information. Any changes must be made to the Commission ~~Department~~ in writing.

(Source: P.A. 102-98, eff. 7-15-21.)

(410 ILCS 705/45-5)

Sec. 45-5. License suspension; revocation; other penalties.

(a) Notwithstanding any other criminal penalties related to the unlawful possession of cannabis, the Commission ~~Department of Financial and Professional Regulation and the Department of Agriculture~~ may revoke, suspend, place on probation, reprimand, issue cease and desist orders, refuse to issue or renew a license, or take any other disciplinary or nondisciplinary action as each department may deem proper with regard to a cannabis business establishment or cannabis business establishment agent, including fines not to exceed:

(1) $50,000 for each violation of this Act or rules

adopted under this Act by a cultivation center or cultivation center agent;

(2) $20,000 for each violation of this Act or rules adopted under this Act by a dispensing organization or dispensing organization agent;

(3) $15,000 for each violation of this Act or rules adopted under this Act by a craft grower or craft grower agent;

(4) $10,000 for each violation of this Act or rules adopted under this Act by an infuser organization or infuser organization agent; and

(5) $10,000 for each violation of this Act or rules adopted under this Act by a transporting organization or transporting organization agent.

(b) The Commission ~~Department of Financial and Professional Regulation and the Department of Agriculture, as the case may be,~~ shall consider licensee cooperation in any agency or other investigation in its determination of penalties imposed under this Section.

(c) The procedures for disciplining a cannabis business establishment or cannabis business establishment agent and for administrative hearings shall be determined by rule, and shall provide for the review of final decisions under the Administrative Review Law.

(d) The Attorney General may also enforce a violation of Section 55-20, Section 55-21, and Section 15-155 as an

unlawful practice under the Consumer Fraud and Deceptive Business Practices Act.

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

(410 ILCS 705/45-10)

Sec. 45-10. Immunities and presumptions related to the handling of cannabis by cannabis business establishments and their agents.

(a) A cultivation center, craft grower, infuser organization, or transporting organization is not subject to: (i) prosecution; (ii) search or inspection, except by the Commission ~~Department of Agriculture~~, the Department of Public Health, or State or local law enforcement under this Act; (iii) seizure; (iv) penalty in any manner, including, but not limited to, civil penalty; (v) denial of any right or privilege; or (vi) disciplinary action by a business licensing board or entity for acting under this Act and rules adopted under this Act to acquire, possess, cultivate, manufacture, process, deliver, transfer, transport, supply, or sell cannabis or cannabis paraphernalia under this Act.

(b) A licensed cultivation center agent, licensed craft grower agent, licensed infuser organization agent, or licensed transporting organization agent is not subject to: (i) prosecution; (ii) search; (iii) penalty in any manner, including, but not limited to, civil penalty; (iv) denial of any right or privilege; or (v) disciplinary action by a

business licensing board or entity, for engaging in cannabis-related activities authorized under this Act and rules adopted under this Act.

(c) A dispensing organization is not subject to: (i) prosecution; (ii) search or inspection, except by the Department of Financial and Professional Regulation, or State or local law enforcement under this Act; (iii) seizure; (iv) penalty in any manner, including, but not limited to, civil penalty; (v) denial of any right or privilege; or (vi) disciplinary action by a business licensing board or entity, for acting under this Act and rules adopted under this Act to acquire, possess, or dispense cannabis, cannabis-infused products, cannabis paraphernalia, or related supplies, and educational materials under this Act.

(d) A licensed dispensing organization agent is not subject to: (i) prosecution; (ii) search; or (iii) penalty in any manner, or denial of any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business licensing board or entity, for working for a dispensing organization under this Act and rules adopted under this Act.

(e) Any cannabis, cannabis-infused product, cannabis paraphernalia, legal property, or interest in legal property that is possessed, owned, or used in connection with the use of cannabis as allowed under this Act, or acts incidental to that use, may not be seized or forfeited. This Act does not prevent

the seizure or forfeiture of cannabis exceeding the amounts allowed under this Act, nor does it prevent seizure or forfeiture if the basis for the action is unrelated to the cannabis that is possessed, manufactured, transferred, or used under this Act.

(f) Nothing in this Act shall preclude local or State law enforcement agencies from searching a cultivation center, craft grower, infuser organization, transporting organization, or dispensing organization if there is probable cause to believe that the criminal laws of this State have been violated and the search is conducted in conformity with the Illinois Constitution, the Constitution of the United States, and applicable law.

(g) Nothing in this Act shall preclude the Attorney General or other authorized government agency from investigating or bringing a civil action against a cannabis business establishment, or an agent thereof, for a violation of State law, including, but not limited to, civil rights violations and violations of the Consumer Fraud and Deceptive Business Practices Act.

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

(410 ILCS 705/45-20)

Sec. 45-20. Violation of tax Acts; refusal, revocation, or suspension of license or agent identification card.

(a) In addition to other grounds specified in this Act,

the Commission ~~Department of Agriculture and Department of Financial and Professional Regulation~~, upon notification by the Department of Revenue, shall refuse the issuance or renewal of a license or agent identification card, or suspend or revoke the license or agent identification card, of any person, for any of the following violations of any tax Act administered by the Department of Revenue:

(1) Failure to file a tax return.

(2) The filing of a fraudulent return.

(3) Failure to pay all or part of any tax or penalty finally determined to be due.

(4) Failure to keep books and records.

(5) Failure to secure and display a certificate or sub-certificate of registration, if required.

(6) Willful violation of any rule or regulation of the Commission ~~Department~~ relating to the administration and enforcement of tax liability.

(b) After all violations of any of items (1) through (6) of subsection (a) have been corrected or resolved, the Commission ~~Department~~ shall, upon request of the applicant or, if not requested, may notify the entities listed in subsection (a) that the violations have been corrected or resolved. Upon receiving notice from the Commission ~~Department~~ that a violation of any of items (1) through (6) of subsection (a) have been corrected or otherwise resolved to the Department of Revenue's satisfaction, the Commission ~~Department of~~

~~Agriculture and the Department of Financial and Professional Regulation~~ may issue or renew the license or agent identification card, or vacate an order of suspension or revocation.

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

(410 ILCS 705/50-5)

Sec. 50-5. Laboratory testing.

(a) Notwithstanding any other provision of law, the following acts, when performed by a cannabis testing facility with a current, valid registration, or a person 21 years of age or older who is acting in his or her capacity as an owner, employee, or agent of a cannabis testing facility, are not unlawful and shall not be an offense under Illinois law or be a basis for seizure or forfeiture of assets under Illinois law:

(1) possessing, repackaging, transporting, storing, or displaying cannabis or cannabis-infused products;

(2) receiving or transporting cannabis or cannabis-infused products from a cannabis business establishment, a community college licensed under the Community College Cannabis Vocational Training Pilot Program, or a person 21 years of age or older; and

(3) returning or transporting cannabis or cannabis-infused products to a cannabis business establishment, a community college licensed under the Community College Cannabis Vocational Training Pilot

Program, or a person 21 years of age or older.

(b)(1) No laboratory shall handle, test, or analyze cannabis unless approved by the Commission ~~Department of Agriculture~~ in accordance with this Section.

(2) No laboratory shall be approved to handle, test, or analyze cannabis unless the laboratory:

(A) is accredited by a private laboratory accrediting organization;

(B) is independent from all other persons involved in the cannabis industry in Illinois and no person with a direct or indirect interest in the laboratory has a direct or indirect financial, management, or other interest in an Illinois cultivation center, craft grower, dispensary, infuser, transporter, certifying physician, or any other entity in the State that may benefit from the production, manufacture, dispensing, sale, purchase, or use of cannabis; and

(C) has employed at least one person to oversee and be responsible for the laboratory testing who has earned, from a college or university accredited by a national or regional certifying authority, at least:

(i) a master's level degree in chemical or biological sciences and a minimum of 2 years' post-degree laboratory experience; or

(ii) a bachelor's degree in chemical or biological sciences and a minimum of 4 years' post-degree

laboratory experience.

(3) Each independent testing laboratory that claims to be accredited must provide the Commission ~~Department of Agriculture~~ with a copy of the most recent annual inspection report granting accreditation and every annual report thereafter.

(c) Immediately before manufacturing or natural processing of any cannabis or cannabis-infused product or packaging cannabis for sale to a dispensary, each batch shall be made available by the cultivation center, craft grower, or infuser for an employee of an approved laboratory to select a random sample, which shall be tested by the approved laboratory for:

(1) microbiological contaminants;

(2) mycotoxins;

(3) pesticide active ingredients;

(4) residual solvent; and

(5) an active ingredient analysis.

(d) The Commission ~~Department of Agriculture~~ may select a random sample that shall, for the purposes of conducting an active ingredient analysis, be tested by the Commission ~~Department of Agriculture~~ for verification of label information.

(e) A laboratory shall immediately return or dispose of any cannabis upon the completion of any testing, use, or research. If cannabis is disposed of, it shall be done in compliance with Commission ~~Department of Agriculture~~ rule.

(f) If a sample of cannabis does not pass the microbiological, mycotoxin, pesticide chemical residue, or solvent residue test, based on the standards established by the Commission ~~Department of Agriculture~~, the following shall apply:

(1) If the sample failed the pesticide chemical residue test, the entire batch from which the sample was taken shall, if applicable, be recalled as provided by rule.

(2) If the sample failed any other test, the batch may be used to make a CO_2-based or solvent based extract. After processing, the CO_2-based or solvent based extract must still pass all required tests.

(g) The Commission ~~Department of Agriculture~~ shall establish standards for microbial, mycotoxin, pesticide residue, solvent residue, or other standards for the presence of possible contaminants, in addition to labeling requirements for contents and potency.

(h) The laboratory shall file with the Commission ~~Department of Agriculture~~ an electronic copy of each laboratory test result for any batch that does not pass the microbiological, mycotoxin, or pesticide chemical residue test, at the same time that it transmits those results to the cultivation center. In addition, the laboratory shall maintain the laboratory test results for at least 5 years and make them available at the Commission's ~~Department of Agriculture's~~

request.

(i) A cultivation center, craft grower, and infuser shall provide to a dispensing organization the laboratory test results for each batch of cannabis product purchased by the dispensing organization, if sampled. Each dispensing organization must have those laboratory results available upon request to purchasers.

(j) The Commission ~~Department of Agriculture~~ may adopt rules related to testing in furtherance of this Act.

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

(410 ILCS 705/55-5)

Sec. 55-5. Preparation of cannabis-infused products.

(a) The Commission ~~Department of Agriculture~~ may regulate the production of cannabis-infused products by a cultivation center, a craft grower, an infuser organization, or a dispensing organization and establish rules related to refrigeration, hot-holding, and handling of cannabis-infused products. All cannabis-infused products shall meet the packaging and labeling requirements contained in Section 55-21.

(b) Cannabis-infused products for sale or distribution at a dispensing organization must be prepared by an approved agent of a cultivation center or infuser organization.

(c) A cultivation center or infuser organization that prepares cannabis-infused products for sale or distribution by

a dispensing organization shall be under the operational supervision of a Department of Public Health certified food service sanitation manager.

(d) Dispensing organizations may not manufacture, process, or produce cannabis-infused products.

(e) The Department of Public Health shall adopt and enforce rules for the manufacture and processing of cannabis-infused products, and for that purpose it may at all times enter every building, room, basement, enclosure, or premises occupied or used, or suspected of being occupied or used, for the production, preparation, manufacture for sale, storage, sale, processing, distribution, or transportation of cannabis-infused products, and to inspect the premises together with all utensils, fixtures, furniture, and machinery used for the preparation of these products.

(f) The Commission ~~Department of Agriculture~~ shall by rule establish a maximum level of THC that may be contained in each serving of cannabis-infused product, and within the product package.

(g) If a local public health agency has a reasonable belief that a cannabis-infused product poses a public health hazard, it may refer the cultivation center, craft grower, or infuser that manufactured or processed the cannabis-infused product to the Department of Public Health and the Commission. If the Department of Public Health or the Commission finds that a cannabis-infused product poses a health hazard, it may

bring an action for immediate injunctive relief to require that action be taken as the court may deem necessary to meet the hazard of the cultivation facility or seek other relief as provided by rule.

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

(410 ILCS 705/55-10)

Sec. 55-10. Maintenance of inventory. All dispensing organizations authorized to serve both registered qualifying patients and caregivers and purchasers are required to report which cannabis and cannabis-infused products are purchased for sale under the Compassionate Use of Medical Cannabis Program ~~Act~~, and which cannabis and cannabis-infused products are purchased under Article 20 ~~this Act~~. Nothing in this Section prohibits a registered qualifying patient under the Compassionate Use of Medical Cannabis Program ~~Act~~ from purchasing cannabis as a purchaser under Article 20 ~~this Act~~.

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

(410 ILCS 705/55-15)

Sec. 55-15. Destruction of cannabis.

(a) All cannabis byproduct, scrap, and harvested cannabis not intended for distribution to a dispensing organization must be destroyed and disposed of under rules adopted by the Commission ~~Department of Agriculture~~ under this Act. Documentation of destruction and disposal shall be retained at

the cultivation center, craft grower, infuser organization, transporter, or testing facility as applicable for a period of not less than 5 years.

(b) A dispensing organization, cultivation center, craft grower, or infuser organization shall, before destruction, notify the Commission ~~Department of Agriculture~~ and the Illinois State Police. ~~A dispensing organization shall, before destruction, notify the Department of Financial and Professional Regulation and the Illinois State Police.~~ The Commission ~~Department of Agriculture~~ may by rule require that an employee of the Commission ~~Department of Agriculture or the Department of Financial and Professional Regulation~~ be present during the destruction of any cannabis byproduct, scrap, and harvested cannabis, as applicable.

(c) The cultivation center, craft grower, infuser organization, or dispensing organization shall keep a record of the date of destruction and how much was destroyed.

(d) A dispensing organization shall destroy all cannabis, including cannabis-infused products, not sold to purchasers. Documentation of destruction and disposal shall be retained at the dispensing organization for a period of not less than 5 years.

(Source: P.A. 101-27, eff. 6-25-19; 102-538, eff. 8-20-21.)

(410 ILCS 705/55-21)

Sec. 55-21. Cannabis product packaging and labeling.

(a) Each cannabis product produced for sale shall be registered with the Commission ~~Department of Agriculture~~ on forms provided by the Commission ~~Department of Agriculture~~. Each product registration shall include a label and the required registration fee at the rate established by the Commission ~~Department of Agriculture~~ for a comparable medical cannabis product, or as established by rule. The registration fee is for the name of the product offered for sale and one fee shall be sufficient for all package sizes.

(b) All harvested cannabis intended for distribution to a cannabis enterprise must be packaged in a sealed, labeled container.

(c) Any product containing cannabis shall be sold in a sealed, odor-proof, and child-resistant cannabis container consistent with current standards, including the Consumer Product Safety Commission standards referenced by the Poison Prevention Act unless the sale is between or among a craft grower, infuser, or cultivation center.

(d) All cannabis-infused products shall be individually wrapped or packaged at the original point of preparation. The packaging of the cannabis-infused product shall conform to the labeling requirements of the Illinois Food, Drug and Cosmetic Act, in addition to the other requirements set forth in this Section.

(e) Each cannabis product shall be labeled before sale and each label shall be securely affixed to the package and shall

state in legible English and any languages required by the Commission ~~Department of Agriculture~~:

(1) the name and post office box of the registered cultivation center or craft grower where the item was manufactured;

(2) the common or usual name of the item and the registered name of the cannabis product that was registered with the Commission ~~Department of Agriculture~~ under subsection (a);

(3) a unique serial number that will match the product with a cultivation center or craft grower batch and lot number to facilitate any warnings or recalls the Commission ~~Department of Agriculture~~, cultivation center, or craft grower deems appropriate;

(4) the date of final testing and packaging, if sampled, and the identification of the independent testing laboratory;

(5) the date of harvest and "use by" date;

(6) the quantity (in ounces or grams) of cannabis contained in the product;

(7) a pass/fail rating based on the laboratory's microbiological, mycotoxins, and pesticide and solvent residue analyses, if sampled;

(8) content list.

(A) A list of the following, including the minimum and maximum percentage content by weight for

subdivisions (e)(8)(A)(i) through (iv):

(i) delta-9-tetrahydrocannabinol (THC);

(ii) tetrahydrocannabinolic acid (THCA);

(iii) cannabidiol (CBD);

(iv) cannabidiolic acid (CBDA); and

(v) all other ingredients of the item, including any colors, artificial flavors, and preservatives, listed in descending order by predominance of weight shown with common or usual names.

(B) The acceptable tolerances for the minimum percentage printed on the label for any of subdivisions (e)(8)(A)(i) through (iv) shall not be below 85% or above 115% of the labeled amount.

(f) Packaging must not contain information that:

(1) is false or misleading;

(2) promotes excessive consumption;

(3) depicts a person under 21 years of age consuming cannabis;

(4) includes the image of a cannabis leaf;

(5) includes any image designed or likely to appeal to minors, including cartoons, toys, animals, or children, or any other likeness to images, characters, or phrases that are popularly used to advertise to children, or any packaging or labeling that bears reasonable resemblance to any product available for consumption as a commercially

available candy, or that promotes consumption of cannabis;

(6) contains any seal, flag, crest, coat of arms, or other insignia likely to mislead the purchaser to believe that the product has been endorsed, made, or used by the State of Illinois or any of its representatives except where authorized by this Act.

(g) Cannabis products produced by concentrating or extracting ingredients from the cannabis plant shall contain the following information, where applicable:

(1) If solvents were used to create the concentrate or extract, a statement that discloses the type of extraction method, including any solvents or gases used to create the concentrate or extract; and

(2) Any other chemicals or compounds used to produce or were added to the concentrate or extract.

(h) All cannabis products must contain warning statements established for purchasers, of a size that is legible and readily visible to a consumer inspecting a package, which may not be covered or obscured in any way. The Department of Public Health shall define and update appropriate health warnings for packages including specific labeling or warning requirements for specific cannabis products.

(i) Unless modified by rule to strengthen or respond to new evidence and science, the following warnings shall apply to all cannabis products unless modified by rule: "This product contains cannabis and is intended for use by adults 21

and over. Its use can impair cognition and may be habit forming. This product should not be used by pregnant or breastfeeding women. It is unlawful to sell or provide this item to any individual, and it may not be transported outside the State of Illinois. It is illegal to operate a motor vehicle while under the influence of cannabis. Possession or use of this product may carry significant legal penalties in some jurisdictions and under federal law.".

(j) Warnings for each of the following product types must be present on labels when offered for sale to a purchaser:

(1) Cannabis that may be smoked must contain a statement that "Smoking is hazardous to your health.".

(2) Cannabis-infused products (other than those intended for topical application) must contain a statement "CAUTION: This product contains cannabis, and intoxication following use may be delayed 2 or more hours. This product was produced in a facility that cultivates cannabis, and that may also process common food allergens.".

(3) Cannabis-infused products intended for topical application must contain a statement "DO NOT EAT" in bold, capital letters.

(k) Each cannabis-infused product intended for consumption must be individually packaged, must include the total milligram content of THC and CBD, and may not include more than a total of 100 milligrams of THC per package. A package may contain multiple servings of 10 milligrams of THC, indicated

by scoring, wrapping, or by other indicators designating individual serving sizes. The Commission ~~Department of Agriculture~~ may change the total amount of THC allowed for each package, or the total amount of THC allowed for each serving size, by rule.

(l) No individual other than the purchaser may alter or destroy any labeling affixed to the primary packaging of cannabis or cannabis-infused products.

(m) For each commercial weighing and measuring device used at a facility, the cultivation center or craft grower must:

(1) Ensure that the commercial device is licensed under the Weights and Measures Act and the associated administrative rules (8 Ill. Adm. Code 600);

(2) Maintain documentation of the licensure of the commercial device; and

(3) Provide a copy of the license of the commercial device to the Commission ~~Department of Agriculture~~ for review upon request.

(n) It is the responsibility of the Commission ~~Department~~ to ensure that packaging and labeling requirements, including product warnings, are enforced at all times for products provided to purchasers. Product registration requirements and container requirements may be modified by rule by the Commission ~~Department of Agriculture~~.

(o) Labeling, including warning labels, may be modified by rule by the Commission ~~Department of Agriculture~~.

(Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 102-98, eff. 7-15-21.)

(410 ILCS 705/55-30)

Sec. 55-30. Confidentiality.

(a) Information provided by the cannabis business establishment licensees or applicants to the Commission ~~Department of Agriculture~~, the Department of Public Health, ~~the Department of Financial and Professional Regulation,~~ the Department of Commerce and Economic Opportunity, or other agency shall be limited to information necessary for the purposes of administering this Act. The information is subject to the provisions and limitations contained in the Freedom of Information Act and may be disclosed in accordance with Section 55-65.

(b) The following information received and records kept by the Commission ~~Department of Agriculture~~, the Department of Public Health, and the Illinois State Police~~, and the Department of Financial and Professional Regulation~~ for purposes of administering this Article are subject to all applicable federal privacy laws, are confidential and exempt from disclosure under the Freedom of Information Act, except as provided in this Act, and not subject to disclosure to any individual or public or private entity, except to the Commission ~~Department of Financial and Professional Regulation, the Department of Agriculture~~, the Department of

Public Health, and the Illinois State Police as necessary to perform official duties under this Article and to the Attorney General as necessary to enforce the provisions of this Act. The following information received and kept by the Commission ~~Department of Financial and Professional Regulation or the Department of Agriculture~~ may be disclosed to the Department of Public Health, the Department of Agriculture, the Department of Revenue, the Illinois State Police, or the Attorney General upon proper request:

(1) Applications and renewals, their contents, and supporting information submitted by or on behalf of dispensing organizations, cannabis business establishments, or Community College Cannabis Vocational Program licensees, in compliance with this Article, including their physical addresses; however, this does not preclude the release of ownership information about cannabis business establishment licenses, or information submitted with an application required to be disclosed pursuant to subsection (f);

(2) Any plans, procedures, policies, or other records relating to cannabis business establishment security; and

(3) Information otherwise exempt from disclosure by State or federal law.

Illinois or national criminal history record information, or the nonexistence or lack of such information, may not be disclosed by the Commission ~~Department of Financial and~~

~~Professional Regulation or the Department of Agriculture~~, except as necessary to the Attorney General to enforce this Act.

(c) The name and address of a dispensing organization licensed under this Act shall be subject to disclosure under the Freedom of Information Act. The name and cannabis business establishment address of the person or entity holding each cannabis business establishment license shall be subject to disclosure.

(d) All information collected by the Commission ~~Department of Financial and Professional Regulation or the Department of Agriculture~~ in the course of an examination, inspection, or investigation of a licensee or applicant, including, but not limited to, any complaint against a licensee or applicant filed with the Commission ~~Department of Financial and Professional Regulation or the Department of Agriculture~~ and information collected to investigate any such complaint, shall be maintained for the confidential use of the Commission ~~Department of Financial and Professional Regulation or the Department of Agriculture~~ and shall not be disclosed, except as otherwise provided in this Act. A formal complaint against a licensee by the Commission ~~Department of Financial and Professional Regulation or the Department of Agriculture~~ or any disciplinary order issued by the Commission ~~Department of Financial and Professional Regulation or the Department of Agriculture~~ against a licensee or applicant shall be a public

record, except as otherwise provided by law. Complaints from consumers or members of the general public received regarding a specific, named licensee or complaints regarding conduct by unlicensed entities shall be subject to disclosure under the Freedom of Information Act.

(e) The Commission and ~~Department of Agriculture,~~ the Illinois State Police~~, and the Department of Financial and Professional Regulation~~ shall not share or disclose any Illinois or national criminal history record information, or the nonexistence or lack of such information, to any person or entity not expressly authorized by this Act.

(f) The Commission ~~Each Department responsible for licensure under this Act~~ shall publish on the Commission's ~~Department's~~ website a list of the ownership information of cannabis business establishment licensees under the Commission's ~~Department's~~ jurisdiction. The list shall include, but is not limited to: the name of the person or entity holding each cannabis business establishment license; and the address at which the entity is operating under this Act. This list shall be published and updated monthly.

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

(410 ILCS 705/55-35)

Sec. 55-35. Administrative rulemaking.

(a) No later than 180 days after the effective date of this Act, the Commission ~~Department of Agriculture~~, the Illinois State Police, ~~the Department of Financial and Professional Regulation~~, the Department of Revenue, the Department of Commerce and Economic Opportunity, and the Treasurer's Office shall adopt permanent rules in accordance with their responsibilities under this Act. The Commission ~~Department of Agriculture~~, the Illinois State Police, ~~the Department of Financial and Professional Regulation~~, the Department of Revenue, and the Department of Commerce and Economic Opportunity may adopt rules necessary to regulate personal cannabis use through the use of emergency rulemaking in accordance with subsection (gg) of Section 5-45 of the Illinois Administrative Procedure Act. The General Assembly finds that the adoption of rules to regulate cannabis use is deemed an emergency and necessary for the public interest, safety, and welfare.

(b) The Commission ~~Department of Agriculture~~ rules may address, but are not limited to, the following matters related to dispensing organizations, cultivation centers, craft growers, infuser organizations, and transporting organizations with the goal of protecting against diversion and theft, without imposing an undue burden on the dispensing organizations, cultivation centers, craft growers, infuser organizations, or transporting organizations:

(1) oversight requirements for dispensing

organizations, cultivation centers, craft growers, infuser organizations, and transporting organizations;

(2) recordkeeping requirements for dispensing organizations, cultivation centers, craft growers, infuser organizations, and transporting organizations;

(3) security requirements for dispensing organizations, cultivation centers, craft growers, infuser organizations, and transporting organizations, which shall include that each dispensing organization, cultivation center, craft grower, infuser organization, and transporting organization location must be protected by a fully operational security alarm system;

(4) standards for enclosed, locked facilities under this Act;

(5) procedures for suspending or revoking the identification cards of agents of dispensing organizations, cultivation centers, craft growers, infuser organizations, and transporting organizations that commit violations of this Act or the rules adopted under this Section;

(6) (Blank) ~~rules concerning the intrastate transportation of cannabis from a cultivation center, craft grower, infuser organization, and transporting organization to a dispensing organization~~;

(7) standards concerning the dispensing, testing, quality, cultivation, and processing of cannabis; and

(8) any other matters under oversight by the Commission ~~Department of Agriculture~~ as are necessary for the fair, impartial, stringent, and comprehensive administration of this Act.

Commission rules addressing matters related to dispensing organizations shall be adopted with the goal of protecting against diversion and theft, without imposing an undue burden on the dispensing organizations.

(c) (Blank). ~~The Department of Financial and Professional Regulation rules may address, but are not limited to, the following matters related to dispensing organizations, with the goal of protecting against diversion and theft, without imposing an undue burden on the dispensing organizations:~~

~~(1) oversight requirements for dispensing organizations;~~

~~(2) recordkeeping requirements for dispensing organizations;~~

~~(3) security requirements for dispensing organizations, which shall include that each dispensing organization location must be protected by a fully operational security alarm system;~~

~~(4) procedures for suspending or revoking the licenses of dispensing organization agents that commit violations of this Act or the rules adopted under this Act;~~

~~(5) any other matters under oversight by the Department of Financial and Professional Regulation that~~

~~are necessary for the fair, impartial, stringent, and comprehensive administration of this Act.~~

(d) The Department of Revenue rules may address, but are not limited to, the following matters related to the payment of taxes by cannabis business establishments:

(1) recording of sales;

(2) documentation of taxable income and expenses;

(3) transfer of funds for the payment of taxes; or

(4) any other matter under the oversight of the Department of Revenue.

(e) The Department of Commerce and Economic Opportunity rules may address, but are not limited to, a loan program or grant program to assist Social Equity Applicants access the capital needed to start a cannabis business establishment. The names of recipients and the amounts of any moneys received through a loan program or grant program shall be a public record.

(f) The Illinois State Police rules may address enforcement of its authority under this Act. The Illinois State Police shall not make rules that infringe on the exclusive authority of the Commission ~~Department of Financial and Professional Regulation or the Department of Agriculture~~ over licensees under this Act.

(g) The Department of Human Services shall develop and disseminate:

(1) educational information about the health risks

associated with the use of cannabis; and

(2) one or more public education campaigns in coordination with local health departments and community organizations, including one or more prevention campaigns directed at children, adolescents, parents, and pregnant or breastfeeding women, to inform them of the potential health risks associated with intentional or unintentional cannabis use.

(Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 102-538, eff. 8-20-21.)

(410 ILCS 705/55-40)

Sec. 55-40. Enforcement.

(a) If the Commission ~~Department of Agriculture~~, Illinois State Police, ~~Department of Financial and Professional Regulation,~~ Department of Commerce and Economic Opportunity, or Department of Revenue fails to adopt rules to implement this Act within the times provided in this Act, any citizen may commence a mandamus action in the circuit court to compel the agencies to perform the actions mandated under Section 55-35.

(b) If the Commission ~~Department of Agriculture or the Department of Financial and Professional Regulation~~ fails to issue a valid agent identification card in response to a valid initial application or renewal application submitted under this Act or fails to issue a verbal or written notice of denial of the application within 30 days of its submission, the agent

identification card is deemed granted and a copy of the agent identification initial application or renewal application shall be deemed a valid agent identification card.

(c) Authorized employees of State or local law enforcement agencies shall immediately notify the Commission ~~Department of Agriculture and the Department of Financial and Professional Regulation~~ when any person in possession of an agent identification card has been convicted of or pled guilty to violating this Act.

(Source: P.A. 101-27, eff. 6-25-19; 102-538, eff. 8-20-21.)

(410 ILCS 705/55-45)

Sec. 55-45. Administrative hearings.

(a) Administrative hearings related to the duties and responsibilities assigned to the Department of Public Health shall be conducted under the Department of Public Health's rules governing administrative hearings.

(b) (Blank). ~~Administrative hearings related to the duties and responsibilities assigned to the Department of Financial and Professional Regulation and dispensing organization agents shall be conducted under the Department of Financial and Professional Regulation's rules governing administrative hearings.~~

(c) (Blank). ~~Administrative hearings related to the duties and responsibilities assigned to the Department of Agriculture, cultivation centers, or cultivation center agents~~

~~shall be conducted under the Department of Agriculture's rules governing administrative hearings.~~

(d) Administrative hearings related to the duties and responsibilities assigned to the Commission, dispensing organizations, cultivation centers, or their agents shall be conducted under the Commission's rules governing administrative hearings.

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

(410 ILCS 705/55-50)

Sec. 55-50. Petition for rehearing. Within 20 days after the service of any order or decision of the Department of Public Health, the Commission ~~Department of Agriculture, the Department of Financial and Professional Regulation~~, or the Illinois State Police upon any party to the proceeding, the party may apply for a rehearing in respect to any matters determined by them under this Act, except for decisions made under the Cannabis Cultivation Privilege Tax Law, the Cannabis Purchaser Excise Tax Law, the County Cannabis Retailers' Occupation Tax Law, and the Municipal Cannabis Retailers' Occupation Tax Law, which shall be governed by the provisions of those Laws. If a rehearing is granted, an agency shall hold the rehearing and render a decision within 30 days from the filing of the application for rehearing with the agency. The time for holding such rehearing and rendering a decision may be extended for a period not to exceed 30 days, for good cause

shown, and by notice in writing to all parties of interest. If an agency fails to act on the application for rehearing within 30 days, or the date the time for rendering a decision was extended for good cause shown, the order or decision of the agency is final. No action for the judicial review of any order or decision of an agency shall be allowed unless the party commencing such action has first filed an application for a rehearing and the agency has acted or failed to act upon the application. Only one rehearing may be granted by an agency on application of any one party.

(Source: P.A. 101-27, eff. 6-25-19; 102-538, eff. 8-20-21.)

(410 ILCS 705/55-55)

Sec. 55-55. Review of administrative decisions. All final administrative decisions of the Department of Public Health, the Commission ~~Department of Agriculture, the Department of Financial and Professional Regulation~~, and the Illinois State Police are subject to judicial review under the Administrative Review Law and the rules adopted under that Law. The term "administrative decision" is defined as in Section 3-101 of the Code of Civil Procedure.

(Source: P.A. 101-27, eff. 6-25-19; 102-538, eff. 8-20-21.)

(410 ILCS 705/55-60)

Sec. 55-60. Suspension or revocation of a license.

(a) The Commission ~~Department of Financial and~~

~~Professional Regulation or the Department of Agriculture~~ may suspend or revoke a license for a violation of this Act or a rule adopted in accordance with this Act ~~by the Department of Agriculture and the Department of Financial and Professional Regulation~~.

(b) The Commission ~~Department of Agriculture and the Department of Financial and Professional Regulation~~ may suspend or revoke an agent identification card for a violation of this Act or a rule adopted in accordance with this Act.

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

(410 ILCS 705/55-65)

Sec. 55-65. Financial institutions.

(a) A financial institution that provides financial services customarily provided by financial institutions to a cannabis business establishment authorized under this Act ~~or the Compassionate Use of Medical Cannabis Program Act~~, or to a person that is affiliated with such cannabis business establishment, is exempt from any criminal law of this State as it relates to cannabis-related conduct authorized under State law.

(b) Upon request of a financial institution, a cannabis business establishment or proposed cannabis business establishment may provide to the financial institution the following information:

(1) Whether a cannabis business establishment with

which the financial institution is doing or is considering doing business holds a license under this Act or the Compassionate Use of Medical Cannabis Program ~~Act~~;

(2) The name of any other business or individual affiliate with the cannabis business establishment;

(3) A copy of the application, and any supporting documentation submitted with the application, for a license or a permit submitted on behalf of the proposed cannabis business establishment;

(4) If applicable, data relating to sales and the volume of product sold by the cannabis business establishment;

(5) Any past or pending violation by the person of this Act~~, the Compassionate Use of Medical Cannabis Program Act,~~ or the rules adopted under these Acts where applicable; and

(6) Any penalty imposed upon the person for violating this Act~~, the Compassionate Use of Medical Cannabis Program Act,~~ or the rules adopted under these Acts.

(c) (Blank).

(d) (Blank).

(e) Information received by a financial institution under this Section is confidential. Except as otherwise required or permitted by this Act, State law or rule, or federal law or regulation, a financial institution may not make the information available to any person other than:

(1) the customer to whom the information applies;

(2) a trustee, conservator, guardian, personal representative, or agent of the customer to whom the information applies; a federal or State regulator when requested in connection with an examination of the financial institution or if otherwise necessary for complying with federal or State law;

(3) a federal or State regulator when requested in connection with an examination of the financial institution or if otherwise necessary for complying with federal or State law; and

(4) a third party performing services for the financial institution, provided the third party is performing such services under a written agreement that expressly or by operation of law prohibits the third party's sharing and use of such confidential information for any purpose other than as provided in its agreement to provide services to the financial institution.

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

(410 ILCS 705/55-85)

Sec. 55-85. Medical cannabis.

(a) Nothing in this Act shall be construed to limit any privileges or rights of a medical cannabis patient including minor patients, primary caregiver, medical cannabis cultivation center, or medical cannabis dispensing

organization under the Compassionate Use of Medical Cannabis Program ~~Act, and where there is conflict between this Act and the Compassionate Use of Medical Cannabis Program Act as they relate to medical cannabis patients, the Compassionate Use of Medical Cannabis Program Act shall prevail~~.

(b) Dispensary locations that obtain an Early Approval Adult Use Dispensary Organization License or an Adult Use Dispensary Organization License in accordance with this Act at the same location as a medical cannabis dispensing organization registered under the Compassionate Use of Medical Cannabis Program ~~Act~~ shall maintain an inventory of medical cannabis and medical cannabis products on a monthly basis that is substantially similar in variety and quantity to the products offered at the dispensary during the 6-month period immediately before the effective date of this Act.

(c) Beginning June 30, 2020, the Commission ~~Department of Agriculture~~ shall make a quarterly determination whether inventory requirements established for dispensaries in subsection (b) should be adjusted due to changing patient need.

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

(410 ILCS 705/65-5)

Sec. 65-5. Definitions. In this Article:

"Adjusted delta-9-tetrahydrocannabinol level" means, for a delta-9-tetrahydrocannabinol dominant product, the sum of the

percentage of delta-9-tetrahydrocannabinol plus .877 multiplied by the percentage of tetrahydrocannabinolic acid.

"Cannabis" has the meaning given to that term in Article 1 of this Act, except that it does not include cannabis that is subject to tax under the Compassionate Use of Medical Cannabis Program ~~Act~~.

"Cannabis-infused product" means beverage food, oils, ointments, tincture, topical formulation, or another product containing cannabis that is not intended to be smoked.

"Cannabis retailer" means a dispensing organization that sells cannabis for use and not for resale.

"Craft grower" has the meaning given to that term in Article 1 of this Act.

"Department" means the Department of Revenue.

"Director" means the Director of Revenue.

"Dispensing organization" or "dispensary" has the meaning given to that term in Article 1 of this Act.

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

"Infuser organization" or "infuser" means a facility operated by an organization or business that is licensed by the Commission ~~Department of Agriculture~~ to directly incorporate cannabis or cannabis concentrate into a product

formulation to produce a cannabis-infused product.

"Purchase price" means the consideration paid for a purchase of cannabis, valued in money, whether received in money or otherwise, including cash, gift cards, credits, and property and shall be determined without any deduction on account of the cost of materials used, labor or service costs, or any other expense whatsoever. However, "purchase price" does not include consideration paid for:

(1) any charge for a payment that is not honored by a financial institution;

(2) any finance or credit charge, penalty or charge for delayed payment, or discount for prompt payment; and

(3) any amounts added to a purchaser's bill because of charges made under the tax imposed by this Article, the Municipal Cannabis Retailers' Occupation Tax Law, the County Cannabis Retailers' Occupation Tax Law, the Retailers' Occupation Tax Act, the Use Tax Act, the Service Occupation Tax Act, the Service Use Tax Act, or any locally imposed occupation or use tax.

"Purchaser" means a person who acquires cannabis for a valuable consideration.

"Taxpayer" means a cannabis retailer who is required to collect the tax imposed under this Article.

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

(410 ILCS 705/Art. 70 heading new)

ARTICLE 70. License and Regulation of Cannabis Business Establishments.

(410 ILCS 705/70-5 new)

Sec. 70-5. Definition. In this Act, "Commission" means the Cannabis Equity and Oversight Commission.

(410 ILCS 705/70-10 new)

Sec. 70-10. Authority.

(a) The Commission has the authority to administer and enforce provisions of this Act relating to the oversight, licensing, and registration of dispensing organizations, cultivation centers, craft growers, infuser organizations, transporting organizations, and laboratories as well as any other activity related to cannabis.

(b) The Commission shall have the authority to adopt such rules consistent with the provisions of this Act that are necessary to carry on its functions and duties to administer and enforce this Act. Prior to issuing licenses under subsection (a), the Commission may adopt rules through emergency rulemaking in accordance with subsection (kk) of Section 5-45 of the Illinois Administrative Procedure Act. The General Assembly finds that the adoption of rules to regulate cannabis use is deemed an emergency and necessary for the public interest, safety, and welfare.

(c) The Commission, the Department of Financial and

Professional Regulation, and the Department of Agriculture have the authority to enter into intergovernmental agreements to carry out the licensure and oversight of cannabis business establishments under this Act, shall collaborate and coordinate on adopting rules that are necessary to carry out the functions and duties of this Act.

(410 ILCS 705/70-15 new)

Sec. 70-15. Authority over licenses; authority to issue licenses.

(a) Notwithstanding any other provision of law, the Commission shall have authority over the following licenses that may be in various phases in the licensing process, are eligible, pending, in the conditional phase, awarded, or pending adjudication by a judicial process, or have otherwise not been awarded on or after July 1, 2022:

(1) The 75 Conditional Adult Use Dispensing Organization licenses eligible for award as determined by a Tied Applicant Lottery under Section 15-30.20.

(2) The 55 Conditional Adult Use Dispensing Organization Licenses eligible for award as determined by a Qualifying Applicant Lottery under Section 15-35.10.

(3) The 55 Conditional Adult Use Dispensing Organization Licenses eligible for award as determined by a Social Equity Justice Involved Lottery under Section 15-35.

(4) Conditional Adult Use Dispensing Organization Licenses eligible for award under Section 15-35.20.

(5) Cultivation center licenses eligible for award under Section 20-10 of the Act.

(6) The Craft grower licenses eligible for award under Section 30-5 of the Act.

(7) The Infuser licenses eligible for award under Section 35-5 of the Act; and

(8) Transporting organization licenses eligible for award under Section 40-5 of the Act.

(b) Subject to subsection (c), the Commission has the exclusive authority to issue licenses to dispensing organizations, cultivation centers, craft growers, infusers, and transporter organizations under this Act and to certify laboratories under this Act.

(c) The Commission may only issue the following licenses in the following amounts:

(1) Dispensing organization licenses under Section 15-5, except that at no time may the number of dispensing organization licenses exceed 500.

(2) Cultivation center licenses under Section 20-10, except that at no time may the number of cultivation center licenses exceed 30.

(3) Craft grower licenses under Section 30-5, except that at no time may the number of craft grower licenses exceed 150.

(410 ILCS 705/70-20 new)

Sec. 70-20. Licensing applications and denials.

(a) The Commission shall establish applications for licensure of dispensing organizations, cultivation centers, craft growers, infusers, transporting organizations under this Act and for certification of laboratories under this Act.

(b) Notwithstanding any other provisions regarding applications for cannabis business establishments, the Commission may adopt rules to develop (i) applications for licensure of dispensing organizations, cultivation centers, craft growers, infusers, transporting organizations under this Act, (ii) applications for certification of laboratories under this Act, and (iii) a process for issuing licenses and certifications under this Act. The rules shall include, at a minimum, the following:

(1) A nonrefundable application fee set by rule to be deposited into the Cannabis Regulation Fund.

(2) The legal name of the organization seeking a license to operate as a cannabis business establishment.

(3) The name, address, social security number, and date of birth of each principal officer and board member of the organization seeking a license to operate as a cannabis business establishment.

(4) A verification from the Illinois State Police that all background checks of the prospective principal

officers, board members, and agents of the applicant have been conducted.

(5) A verification from the Department of Revenue that the applicant and the applicant's principal officers, board members, and persons having a financial or voting interest of 5% or greater in the applicant is not delinquent in filing any required tax returns or paying any amounts owed to the State of Illinois.

(6) To establish criteria for the denial of an application, which shall include, at a minimum, the following:

(A) The applicant failed to submit the materials required by the licensing application, this Act, or any rules adopted under this Act.

(B) The applicant would not be in compliance with local zoning rules.

(C) Any of the applicant's prospective principal officers or board members have violated Section 20-30.

(D) Any of the applicant's prospective principal officers or board members are under 21 years of age.

(E) The applicant has submitted an application under this Act that contains false information.

(F) The applicant, any of the applicant's principal officers, board members, or agents, or any person having a financial or voting interest of 5% or greater in the applicant is delinquent in filing any

required tax returns or paying any amounts owed to the State of Illinois.

(G) Granting the application would result in a person or entity obtaining direct or indirect financial interest in more than 10 Early Approval Adult Use Dispensing Organization Licenses, Conditional Adult Use Dispensing Organization Licenses, Adult Use Dispensing Organization Licenses, or any combination thereof. If a person or entity is awarded a license that would cause such a result, the applicant shall choose which license application it wants to abandon and that license shall become available to the next qualified applicant in the region in which the abandoned license was awarded.

(410 ILCS 705/70-25 new)

Sec. 70-25. Rules amending operational requirements or prohibitions. The Commission may adopt rules to amend the operational requirements or prohibited activities of cannabis business establishments provided under this Act.

(410 ILCS 705/70-30 new)

Sec. 70-30. Ownership and control; changes in ownership; changes to management agreements.

(a) Cannabis business establishment applicants and

licensees shall file and maintain a Table of Organization, Ownership and Control with the Commission. The Table of Organization, Ownership and Control shall contain the information required by this Section in sufficient detail to identify all owners, directors, and principal officers, and the title of each principal officer or business entity that, through direct or indirect means, manages, owns, or controls the applicant or licensee.

(b) The Table of Organization, Ownership, and Control shall identify the following information:

(1) The management structure, ownership, and control of the applicant or license holder including the name of each principal officer or business entity, the office or position held, and the percentage ownership interest, if any. If the business entity has a parent company, the name of each owner, board member, and officer of the parent company and his or her percentage ownership interest in the parent company and the infuser organization.

(2) If the applicant or licensee is a business entity with publicly traded stock, the identification of ownership shall be provided as required in subsection (c).

(c) If a business entity identified in subsection (b) is a publicly traded company, the following information shall be provided in the Table of Organization, Ownership, and Control:

(1) The name and percentage of ownership interest of each individual or business entity with ownership of more

than 5% of the voting shares of the entity, to the extent such information is known or contained in 13D or 13G Securities and Exchange Commission filings.

(2) To the extent known, the names and percentage of interest of ownership of persons who are relatives of one another and who together exercise control over or own more than 10% of the voting shares of the entity.

(d) A cannabis business establishment with a parent company or companies, or partially owned or controlled by another entity must disclose to the Commission the relationship and all owners, board members, officers, or individuals with control or management of those entities. A Cannabis business establishment organization shall not shield its ownership or control from the Commission.

(e) All principal officers must submit a complete online application with the Commission within 14 days of the cannabis business establishment being licensed by the Commission or within 14 days of the Commission's notice of approval as a new principal officer.

(f) A principal officer may not allow their registration to expire.

(g) A cannabis business establishment separating with a principal officer must do so under this Act. The principal officer must communicate the separation to the Commission within 5 business days.

(h) A principal officer not in compliance with the

requirements of this Act shall be removed from their position with the cannabis business establishment or shall otherwise terminate their affiliation. Failure to do so may subject the cannabis business establishment to discipline, suspension, or revocation of its license by the Commission.

(i) It is the responsibility of the cannabis business establishment organization and its principal officers to promptly notify the Commission of any change of the principal place of business address, hours of operation, change in ownership or control, or a change of the cannabis business establishment's primary or secondary contact information. Any changes must be made to the Department in writing.

A cannabis business establishment may only add principal officers and changing the management after being approved by the Commission.

A cannabis business establishment shall provide written notice of the removal of a principal officer within 5 business days after removal. The notice shall include the written agreement of the principal officer being removed, unless otherwise approved by the Commission, and allocation of ownership shares after removal in an updated ownership chart.

A cannabis business establishment shall provide a written request to the Commission for the addition of principal officers. A cannabis business establishment shall submit proposed principal officer applications on forms approved by the Commission.

All proposed new principal officers shall be subject to the requirements of this Act, this Article, and any rules that may be adopted pursuant to this Act.

The Commission may prohibit the addition of a principal officer to a cannabis business establishment for failure to comply with this Act, this Article, and any rules that may be adopted pursuant to this Act.

A cannabis business establishment may not assign a license.

A cannabis business establishment may not transfer a license without prior Commission approval.

Such approval may be withheld if the person to whom the license is being transferred does not commit to the same or a similar community engagement plan provided as part of the dispensing organization's application under paragraph (18) of subsection (d) of Section 15-25, and such transferee's license shall be conditional upon that commitment.

With the addition or removal of principal officers, the Commission will review the ownership structure to determine whether the change in ownership has had the effect of a transfer of the license. The cannabis business establishment shall supply all ownership documents requested by the Commission.

A cannabis business establishment may apply to the Commission to approve a sale of the cannabis business establishment. A request to sell the cannabis business

establishment must be on application forms provided by the Commission. A request for an approval to sell a cannabis business establishment must comply with the following:

(1) New application materials shall comply with this Act and any rules that may be adopted pursuant to this Act;

(2) Application materials shall include a change of ownership fee as determined by rule to be deposited into the Cannabis Regulation Fund;

(3) The application materials shall provide proof that the transfer of ownership will not have the effect of granting any of the owners or principal officers direct or indirect ownership or control of more than 10 cannabis business establishment licenses;

(4) New principal officers shall each complete the proposed new principal officer application;

(5) If the Commission approves the application materials and proposed new principal officer applications, it will perform an inspection before approving the sale and issuing the dispensing organization license;

(6) If a new license is approved, the Commission will issue a new license number and certificate to the new dispensing organization.

(410 ILCS 705/Art. Art. 75 heading new)

Article 75. Compassionate Use of Medical Cannabis Program.

(410 ILCS 705/75-5 new)

Sec. 75-5. Findings.

(a) The recorded use of cannabis as a medicine goes back nearly 5,000 years. Modern medical research has confirmed the beneficial uses of cannabis in treating or alleviating the pain, nausea, and other symptoms associated with a variety of debilitating medical conditions, including cancer, multiple sclerosis, and HIV/AIDS, as found by the National Academy of Sciences' Institute of Medicine in March 1999.

(b) Studies published since the 1999 Institute of Medicine report continue to show the therapeutic value of cannabis in treating a wide array of debilitating medical conditions. These include relief of the neuropathic pain caused by multiple sclerosis, HIV/AIDS, and other illnesses that often fail to respond to conventional treatments and relief of nausea, vomiting, and other side effects of drugs used to treat HIV/AIDS and hepatitis C, increasing the chances of patients continuing on life-saving treatment regimens.

(c) Cannabis has many currently accepted medical uses in the United States, having been recommended by thousands of licensed physicians to at least 600,000 patients in states with medical cannabis laws. The medical utility of cannabis is recognized by a wide range of medical and public health organizations, including the American Academy of HIV Medicine, the American College of Physicians, the American Nurses Association, the American Public Health Association, the

Leukemia & Lymphoma Society, and many others.

(d) Data from the Federal Bureau of Investigation's Uniform Crime Reports and the Compendium of Federal Justice Statistics show that approximately 99 out of every 100 cannabis arrests in the U.S. are made under state law, rather than under federal law. Consequently, changing State law will have the practical effect of protecting from arrest the vast majority of seriously ill patients who have a medical need to use cannabis.

(d-5) In 2014, the Task Force on Veterans' Suicide was created by the Illinois General Assembly to gather data on veterans' suicide prevention. Data from a U.S. Department of Veterans Affairs study indicates that 22 veterans commit suicide each day.

(d-10) According to the State of Illinois Opioid Action Plan released in September 2017, "The opioid epidemic is the most significant public health and public safety crisis facing Illinois". According to the Action Plan, "Fueled by the growing opioid epidemic, drug overdoses have now become the leading cause of death nationwide for people under the age of 50. In Illinois, opioid overdoses have killed nearly 11,000 people since 2008. Just last year, nearly 1,900 people died of overdoses—almost twice the number of fatal car accidents. Beyond these deaths are thousands of emergency department visits, hospital stays, as well as the pain suffered by individuals, families, and communities".

According to the Action Plan, "At the current rate, the opioid epidemic will claim the lives of more than 2,700 Illinoisans in 2020".

Further, the Action Plan states, "Physical tolerance to opioids can begin to develop as early as two to three days following the continuous use of opioids, which is a large factor that contributes to their addictive potential".

The 2017 State of Illinois Opioid Action Plan also states, "The increase in OUD [opioid use disorder] and opioid overdose deaths is largely due to the dramatic rise in the rate and amount of opioids prescribed for pain over the past decades".

Further, according to the Action Plan, "In the absence of alternative treatments, reducing the supply of prescription opioids too abruptly may drive more people to switch to using illicit drugs (including heroin), thus increasing the risk of overdose".

(e) Alaska, Arizona, California, Colorado, Connecticut, Delaware, Hawaii, Maine, Massachusetts, Michigan, Montana, Nevada, New Jersey, New Mexico, Oregon, Rhode Island, Vermont, Washington, and Washington, D.C. have removed state-level criminal penalties from the medical use and cultivation of cannabis. Illinois joins in this effort for the health and welfare of its citizens.

(f) States are not required to enforce federal law or prosecute people for engaging in activities prohibited by federal law. Therefore, compliance with this Act does not put

the State of Illinois in violation of federal law.

(g) State law should make a distinction between the medical and non-medical uses of cannabis. Hence, the purpose of this Article is to protect patients with debilitating medical conditions, as well as their physicians and providers, from arrest and prosecution, criminal and other penalties, and property forfeiture if the patients engage in the medical use of cannabis.

(410 ILCS 705/75-7 new)

Sec. 75-7. Lawful user and lawful products. For the purposes of this Article and to clarify the legislative findings on the lawful use of cannabis:

(1) A cardholder under this Article shall not be considered an unlawful user or addicted to narcotics solely as a result of his or her qualifying patient or designated caregiver status.

(2) All medical cannabis products purchased by a qualifying patient at a licensed dispensing organization shall be lawful products and a distinction shall be made between medical and non-medical uses of cannabis as a result of the qualifying patient's cardholder status, provisional registration for qualifying patient cardholder status, or participation in the Opioid Alternative Pilot Program under the authorized use granted under State law.

(3) An individual with a provisional registration for

qualifying patient cardholder status, a qualifying patient in the Compassionate Use of Medical Cannabis Program, or an Opioid Alternative Pilot Program participant under Section 75-62 shall not be considered an unlawful user or addicted to narcotics solely as a result of his or her application to or participation in the program.

(410 ILCS 705/75-10 new)

Sec. 75-10. Definitions. The following terms, as used in this Article, shall have the meanings set forth in this Section:

(a) "Adequate supply" means:

(1) 2.5 ounces of usable cannabis during a period of 14 days and that is derived solely from an intrastate source.

(2) Subject to the rules of the Commission, a patient may apply for a waiver where a certifying health care professional provides a substantial medical basis in a signed, written statement asserting that, based on the patient's medical history, in the certifying health care professional's professional judgment, 2.5 ounces is an insufficient adequate supply for a 14-day period to properly alleviate the patient's debilitating medical condition or symptoms associated with the debilitating medical condition.

(3) This subsection may not be construed to authorize

the possession of more than 2.5 ounces at any time without authority from the Commission.

(4) The pre-mixed weight of medical cannabis used in making a cannabis infused product shall apply toward the limit on the total amount of medical cannabis a registered qualifying patient may possess at any one time.

(a-5) "Advanced practice registered nurse" means a person who is licensed under the Nurse Practice Act as an advanced practice registered nurse and has a controlled substances license under Article III of the Illinois Controlled Substances Act.

(d) "Cardholder" means a qualifying patient or a designated caregiver who has been issued and possesses a valid registry identification card by the Department of Public Health.

(d-5) "Certifying health care professional" means a physician, an advanced practice registered nurse, or a physician assistant.

(h) "Debilitating medical condition" means one or more of the following:

(1) cancer, glaucoma, positive status for human immunodeficiency virus, acquired immune deficiency syndrome, hepatitis C, amyotrophic lateral sclerosis, Crohn's disease (including, but not limited to, ulcerative colitis), agitation of Alzheimer's disease, cachexia/wasting syndrome, muscular dystrophy,

fibromyalgia, spinal cord disease, including but not limited to arachnoiditis, Tarlov cysts, hydromyelia, syringomyelia, Rheumatoid arthritis, fibrous dysplasia, spinal cord injury, traumatic brain injury and post-concussion syndrome, Multiple Sclerosis, Arnold-Chiari malformation and Syringomyelia, Spinocerebellar Ataxia (SCA), Parkinson's, Tourette's, Myoclonus, Dystonia, Reflex Sympathetic Dystrophy, RSD (Complex Regional Pain Syndromes Type I), Causalgia, CRPS (Complex Regional Pain Syndromes Type II), Neurofibromatosis, Chronic Inflammatory Demyelinating Polyneuropathy, Sjogren's syndrome, Lupus, Interstitial Cystitis, Myasthenia Gravis, Hydrocephalus, nail-patella syndrome, residual limb pain, seizures (including those characteristic of epilepsy), post-traumatic stress disorder (PTSD), autism, chronic pain, irritable bowel syndrome, migraines, osteoarthritis, anorexia nervosa, Ehlers-Danlos Syndrome, Neuro-Behcet's Autoimmune Disease, neuropathy, polycystic kidney disease, superior canal dehiscence syndrome, or the treatment of these conditions;

(1.5) terminal illness with a diagnosis of 6 months or less; if the terminal illness is not one of the qualifying debilitating medical conditions, then the certifying health care professional shall on the certification form identify the cause of the terminal illness; or

(2) any other debilitating medical condition or its treatment that is added by the Department of Public Health by rule as provided in Section 75-45.

(i) "Designated caregiver" means a person who: (1) is at least 21 years of age; (2) has agreed to assist with a patient's medical use of cannabis; (3) has not been convicted of an excluded offense; and (4) assists no more than one registered qualifying patient with his or her medical use of cannabis.

(l-10) "Illinois Cannabis Tracking System" means a web-based system established and maintained by the Commission that is available to the Department of Agriculture, the Department of Financial and Professional Regulation, the Illinois State Police, and registered medical cannabis dispensing organizations on a 24-hour basis to upload written certifications for Opioid Alternative Pilot Program participants, to verify Opioid Alternative Pilot Program participants, to verify Opioid Alternative Pilot Program participants' available cannabis allotment and assigned dispensary, and the tracking of the date of sale, amount, and price of medical cannabis purchased by an Opioid Alternative Pilot Program participant.

(m) "Medical cannabis cultivation center registration" means a registration issued by the Department of Agriculture.

(n) "Medical cannabis container" means a sealed, traceable, food compliant, tamper resistant, tamper evident

container, or package used for the purpose of containment of medical cannabis from a cultivation center to a dispensing organization.

(o) "Medical cannabis dispensing organization", or "dispensing organization", or "dispensary organization" means a facility operated by an organization or business that is registered by the Commission to acquire medical cannabis from a registered cultivation center for the purpose of dispensing cannabis, paraphernalia, or related supplies and educational materials to registered qualifying patients, individuals with a provisional registration for qualifying patient cardholder status, or an Opioid Alternative Pilot Program participant.

(p) "Medical cannabis dispensing organization agent" or "dispensing organization agent" means a principal officer, board member, employee, or agent of a registered medical cannabis dispensing organization who is 21 years of age or older and has not been convicted of an excluded offense.

(q) "Medical cannabis infused product" means food, oils, ointments, or other products containing usable cannabis that are not smoked.

(r) "Medical use" means the acquisition; administration; delivery; possession; transfer; transportation; or use of cannabis to treat or alleviate a registered qualifying patient's debilitating medical condition or symptoms associated with the patient's debilitating medical condition.

(r-5) "Opioid" means a narcotic drug or substance that is

a Schedule II controlled substance under paragraph (1), (2), (3), or (5) of subsection (b) or under subsection (c) of Section 206 of the Illinois Controlled Substances Act.

(r-10) "Opioid Alternative Pilot Program participant" means an individual who has received a valid written certification to participate in the Opioid Alternative Pilot Program for a medical condition for which an opioid has been or could be prescribed by a certifying health care professional based on generally accepted standards of care.

(s) "Physician" means a doctor of medicine or doctor of osteopathy licensed under the Medical Practice Act of 1987 to practice medicine and who has a controlled substances license under Article III of the Illinois Controlled Substances Act. It does not include a licensed practitioner under any other Act including but not limited to the Illinois Dental Practice Act.

(s-1) "Physician assistant" means a physician assistant licensed under the Physician Assistant Practice Act of 1987 and who has a controlled substances license under Article III of the Illinois Controlled Substances Act.

(s-5) "Provisional registration" means a document issued by the Commission to a qualifying patient who has submitted: (1) an online application and paid a fee to participate in the Compassionate Use of Medical Cannabis Program pending approval or denial of the patient's application; or (2) a completed application for terminal illness.

(t) "Qualifying patient" means a person who has been diagnosed by a certifying health care professional as having a debilitating medical condition.

(u) "Registered" means licensed, permitted, or otherwise certified by the Commission.

(v) "Registry identification card" means a document issued by the Commission that identifies a person as a registered qualifying patient or registered designated caregiver.

(w) "Usable cannabis" means the seeds, leaves, buds, and flowers of the cannabis plant and any mixture or preparation thereof, but does not include the stalks, and roots of the plant. It does not include the weight of any non-cannabis ingredients combined with cannabis, such as ingredients added to prepare a topical administration, food, or drink.

(x) "Verification system" means a Web-based system established and maintained by the Commission, law enforcement personnel, and registered medical cannabis dispensing organization agents on a 24-hour basis for the verification of registry identification cards, the tracking of delivery of medical cannabis to medical cannabis dispensing organizations, and the tracking of the date of sale, amount, and price of medical cannabis purchased by a registered qualifying patient.

(y) "Written certification" means a document dated and signed by a certifying health care professional, stating (1) that the qualifying patient has a debilitating medical condition and specifying the debilitating medical condition

the qualifying patient has; and (2) that (A) the certifying health care professional is treating or managing treatment of the patient's debilitating medical condition; or (B) an Opioid Alternative Pilot Program participant has a medical condition for which opioids have been or could be prescribed. A written certification shall be made only in the course of a bona fide health care professional-patient relationship, after the certifying health care professional has completed an assessment of either a qualifying patient's medical history or Opioid Alternative Pilot Program participant, reviewed relevant records related to the patient's debilitating condition, and conducted a physical examination.

(z) "Bona fide health care professional-patient relationship" means a relationship established at a hospital, certifying health care professional's office, or other health care facility in which the certifying health care professional has an ongoing responsibility for the assessment, care, and treatment of a patient's debilitating medical condition or a symptom of the patient's debilitating medical condition.

A veteran who has received treatment at a VA hospital shall be deemed to have a bona fide health care professional-patient relationship with a VA certifying health care professional if the patient has been seen for his or her debilitating medical condition at the VA Hospital in accordance with VA Hospital protocols.

A bona fide health care professional-patient relationship

under this subsection is a privileged communication within the meaning of Section 8-802 of the Code of Civil Procedure.

(410 ILCS 705/75-15 new)

Sec. 75-15. Authority.

(a) It is the duty of the Commission to enforce the following provisions of this Article unless otherwise provided for by this Article:

(1) establish and maintain a confidential registry of qualifying patients authorized to engage in the medical use of cannabis and their caregivers;

(2) distribute educational materials about the health benefits and risks associated with the use of cannabis and prescription medications;

(3) adopt rules to administer the patient and caregiver registration program; and

(4) adopt rules establishing food handling requirements for cannabis-infused products that are prepared for human consumption.

(b) It is the duty of the Commission to enforce the provisions of this Article relating to the registration and oversight of cultivation centers unless otherwise provided for in this Article.

(c) It is the duty of the Commission to enforce the provisions of this Article relating to the registration and oversight of dispensing organizations unless otherwise

provided for in this Article.

(d) The Commission, the Department of Public Health, the Department of Agriculture, or the Department of Financial and Professional Regulation shall enter into intergovernmental agreements, as necessary, to carry out the provisions of this Article including, but not limited to, the provisions relating to the registration and oversight of cultivation centers, dispensing organizations, and qualifying patients and caregivers.

(e) The Commission may suspend, revoke, or impose other penalties upon a registration for violations of this Article and any rules adopted in accordance thereto. The suspension or revocation of, or imposition of any other penalty upon, a registration is a final Agency action, subject to judicial review. Jurisdiction and venue for judicial review are vested in the Circuit Court.

(410 ILCS 705/75-20 new)

Sec. 75-20. Compassionate Use of Medical Cannabis Fund.

(a) There is created the Compassionate Use of Medical Cannabis Fund in the State treasury to be used exclusively for the direct and indirect costs associated with the implementation, administration, and enforcement of this Article. Funds in excess of the direct and indirect costs associated with the implementation, administration, and enforcement of this Article shall be used to fund crime

prevention programs.

(b) All monies collected under this Article shall be deposited in the Compassionate Use of Medical Cannabis Fund in the State treasury. All earnings received from investment of monies in the Compassionate Use of Medical Cannabis Fund shall be deposited in the Compassionate Use of Medical Cannabis Fund.

(c) Notwithstanding any other law to the contrary, the Compassionate Use of Medical Cannabis Fund is not subject to sweeps, administrative charge-backs, or any other fiscal or budgetary maneuver that would in any way transfer any amounts from the Compassionate Use of Medical Cannabis Fund into any other fund of the State with the exception for purposes to support Social Equity Applicants, owners and programs or as determined by the Commission.

(410 ILCS 705/75-25 new)

Sec. 75-25. Immunities and presumptions related to the medical use of cannabis.

(a) A registered qualifying patient is not subject to arrest, prosecution, or denial of any right or privilege, including, but not limited to, civil penalty or disciplinary action by an occupational or professional licensing board, for the medical use of cannabis in accordance with this Article, if the registered qualifying patient possesses an amount of cannabis that does not exceed an adequate supply as defined in

subsection (a) of Section 75-10 of this Article of usable cannabis and, where the registered qualifying patient is a licensed professional, the use of cannabis does not impair that licensed professional when he or she is engaged in the practice of the profession for which he or she is licensed.

(b) A registered designated caregiver is not subject to arrest, prosecution, or denial of any right or privilege, including, but not limited to, civil penalty or disciplinary action by an occupational or professional licensing board, for acting in accordance with this Article to assist a registered qualifying patient to whom he or she is connected through the with the exception for purposes to support Social Equity Applicants, owners and programs or as determined by the Commission's registration process with the medical use of cannabis if the designated caregiver possesses an amount of cannabis that does not exceed an adequate supply as defined in subsection (a) of Section 75-10 of this Article of usable cannabis. A school nurse or school administrator is not subject to arrest, prosecution, or denial of any right or privilege, including, but not limited to, a civil penalty, for acting in accordance with Section 22-33 of the School Code relating to administering or assisting a student in self-administering a medical cannabis infused product. The total amount possessed between the qualifying patient and caregiver shall not exceed the patient's adequate supply as defined in subsection (a) of Section 75-10 of this Article.

(c) A registered qualifying patient or registered designated caregiver is not subject to arrest, prosecution, or denial of any right or privilege, including, but not limited to, civil penalty or disciplinary action by an occupational or professional licensing board for possession of cannabis that is incidental to medical use, but is not usable cannabis as defined in this Article.

(d)(1) There is a rebuttable presumption that a registered qualifying patient is engaged in, or a designated caregiver is assisting with, the medical use of cannabis in accordance with this Article if the qualifying patient or designated caregiver:

(A) is in possession of a valid registry identification card; and

(B) is in possession of an amount of cannabis that does not exceed the amount allowed under subsection (a) of Section 75-10.

(2) The presumption may be rebutted by evidence that conduct related to cannabis was not for the purpose of treating or alleviating the qualifying patient's debilitating medical condition or symptoms associated with the debilitating medical condition in compliance with this Article.

(e) A certifying health care professional is not subject to arrest, prosecution, or penalty in any manner, or denial of any right or privilege, including, but not limited to, civil penalty or disciplinary action by the Medical Disciplinary

Board or by any other occupational or professional licensing board, solely for providing written certifications or for otherwise stating that, in the certifying health care professional's professional opinion, a patient is likely to receive therapeutic or palliative benefit from the medical use of cannabis to treat or alleviate the patient's debilitating medical condition or symptoms associated with the debilitating medical condition, provided that nothing shall prevent a professional licensing or disciplinary board from sanctioning a certifying health care professional for: (1) issuing a written certification to a patient who is not under the certifying health care professional's care for a debilitating medical condition; or (2) failing to properly evaluate a patient's medical condition or otherwise violating the standard of care for evaluating medical conditions.

(f) No person may be subject to arrest, prosecution, or denial of any right or privilege, including, but not limited to, civil penalty or disciplinary action by an occupational or professional licensing board, solely for: (1) selling cannabis paraphernalia to a cardholder upon presentation of an unexpired registry identification card in the recipient's name, if employed and registered as a dispensing agent by a registered dispensing organization; (2) being in the presence or vicinity of the medical use of cannabis as allowed under this Article; or (3) assisting a registered qualifying patient with the act of administering cannabis.

(g) A registered cultivation center is not subject to prosecution; search or inspection, except by the with the exception for purposes to support Social Equity Applicants, owners and programs or as determined by the Commission or State or local law enforcement under Section 75-130; seizure; or penalty in any manner, or denial of any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business licensing board or entity, for acting under this Article and Commission rules to: acquire, possess, cultivate, manufacture, deliver, transfer, transport, supply, or sell cannabis to registered dispensing organizations.

(h) A registered cultivation center agent is not subject to prosecution, search, or penalty in any manner, or denial of any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business licensing board or entity, for working or volunteering for a registered cannabis cultivation center under this Article and Commission rules, including to perform the actions listed under subsection (g).

(i) A registered dispensing organization is not subject to prosecution; search or inspection, except by the Commission or State or local law enforcement pursuant to Section 75-130; seizure; or penalty in any manner, or denial of any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business licensing board or entity, for acting under this Article and Commission rules to:

acquire, possess, or dispense cannabis, or related supplies, and educational materials to registered qualifying patients or registered designated caregivers on behalf of registered qualifying patients.

(j) A registered dispensing organization agent is not subject to prosecution, search, or penalty in any manner, or denial of any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business licensing board or entity, for working or volunteering for a dispensing organization under this Article and Department of Financial and Professional Regulation rules, including to perform the actions listed under subsection (i).

(k) Any cannabis, cannabis paraphernalia, illegal property, or interest in legal property that is possessed, owned, or used in connection with the medical use of cannabis as allowed under this Article, or acts incidental to that use, may not be seized or forfeited. this Article does not prevent the seizure or forfeiture of cannabis exceeding the amounts allowed under this Article, nor shall it prevent seizure or forfeiture if the basis for the action is unrelated to the cannabis that is possessed, manufactured, transferred, or used under this Article.

(l) Mere possession of, or application for, a registry identification card or registration certificate does not constitute probable cause or reasonable suspicion, nor shall it be used as the sole basis to support the search of the

person, property, or home of the person possessing or applying for the registry identification card. The possession of, or application for, a registry identification card does not preclude the existence of probable cause if probable cause exists on other grounds.

(m) Nothing in this Article shall preclude local or State law enforcement agencies from searching a registered cultivation center where there is probable cause to believe that the criminal laws of this State have been violated and the search is conducted in conformity with the Illinois Constitution, the Constitution of the United States, and all State statutes.

(n) Nothing in this Article shall preclude local or State law enforcement agencies from searching a registered dispensing organization where there is probable cause to believe that the criminal laws of this State have been violated and the search is conducted in conformity with the Illinois Constitution, the Constitution of the United States, and all State statutes.

(o) No individual employed by the State of Illinois shall be subject to criminal or civil penalties for taking any action in accordance with the provisions of this Article, when the actions are within the scope of the individual's employment. Representation and indemnification of State employees shall be provided to State employees as set forth in Section 2 of the State Employee Indemnification Act.

(p) No law enforcement or correctional agency, nor any individual employed by a law enforcement or correctional agency, shall be subject to criminal or civil liability, except for willful and wanton misconduct, as a result of taking any action within the scope of the official duties of the agency or individual to prohibit or prevent the possession or use of cannabis by a cardholder incarcerated at a correctional facility, jail, or municipal lockup facility, on parole or mandatory supervised release, or otherwise under the lawful jurisdiction of the agency or individual.

(410 ILCS 705/75-30 new)

Sec. 75-30. Limitations and penalties.

(a) This Article does not permit any person to engage in, and does not prevent the imposition of any civil, criminal, or other penalties for engaging in, the following conduct:

(1) Undertaking any task under the influence of cannabis, when doing so would constitute negligence, professional malpractice, or professional misconduct;

(2) Possessing cannabis:

(A) except as provided under Section 22-33 of the School Code, in a school bus;

(B) except as provided under Section 22-33 of the School Code, on the grounds of any preschool or primary or secondary school;

(C) in any correctional facility;

(D) in a vehicle under Section 11-502.1 of the Illinois Vehicle Code;

(E) in a vehicle not open to the public unless the medical cannabis is in a reasonably secured, sealed container and reasonably inaccessible while the vehicle is moving; or

(F) in a private residence that is used at any time to provide licensed child care or other similar social service care on the premises;

(3) Using cannabis:

(A) except as provided under Section 22-33 of the School Code, in a school bus;

(B) except as provided under Section 22-33 of the School Code, on the grounds of any preschool or primary or secondary school;

(C) in any correctional facility;

(D) in any motor vehicle;

(E) in a private residence that is used at any time to provide licensed child care or other similar social service care on the premises;

(F) except as provided under Section 22-33 of the School Code and Section 75-31 of this Article, in any public place. "Public place" as used in this subsection means any place where an individual could reasonably be expected to be observed by others. A "public place" includes all parts of buildings owned

in whole or in part, or leased, by the State or a local unit of government. A "public place" does not include a private residence unless the private residence is used to provide licensed child care, foster care, or other similar social service care on the premises. For purposes of this subsection, a "public place" does not include a health care facility. For purposes of this Section, a "health care facility" includes, but is not limited to, hospitals, nursing homes, hospice care centers, and long-term care facilities;

(G) except as provided under Section 22-33 of the School Code and Section 75-31 of this Article, knowingly in close physical proximity to anyone under the age of 18 years of age;

(4) Smoking medical cannabis in any public place where an individual could reasonably be expected to be observed by others, in a health care facility, or any other place where smoking is prohibited under the Smoke Free Illinois Act;

(5) Operating, navigating, or being in actual physical control of any motor vehicle, aircraft, or motorboat while using or under the influence of cannabis in violation of Sections 11-501 and 11-502.1 of the Illinois Vehicle Code;

(6) Using or possessing cannabis if that person does not have a debilitating medical condition and is not a registered qualifying patient or caregiver;

(7) Allowing any person who is not allowed to use cannabis under this Article to use cannabis that a cardholder is allowed to possess under this Article;

(8) Transferring cannabis to any person contrary to the provisions of this Article;

(9) The use of medical cannabis by an active duty law enforcement officer, correctional officer, correctional probation officer, or firefighter; or

(10) The use of medical cannabis by a person who has a school bus permit or a Commercial Driver's License.

(b) Nothing in this Article shall be construed to prevent the arrest or prosecution of a registered qualifying patient for reckless driving or driving under the influence of cannabis where probable cause exists.

(c) Notwithstanding any other criminal penalties related to the unlawful possession of cannabis, knowingly making a misrepresentation to a law enforcement official of any fact or circumstance relating to the medical use of cannabis to avoid arrest or prosecution is a petty offense punishable by a fine of up to $1,000, which shall be in addition to any other penalties that may apply for making a false statement or for the use of cannabis other than use undertaken under this Article.

(d) Notwithstanding any other criminal penalties related to the unlawful possession of cannabis, any person who makes a misrepresentation of a medical condition to a certifying

health care professional or fraudulently provides material misinformation to a certifying health care professional in order to obtain a written certification is guilty of a petty offense punishable by a fine of up to $1,000.

(e) Any cardholder or registered caregiver who sells cannabis shall have the cardholder's or caregiver's registry identification card revoked and is subject to other penalties for the unauthorized sale of cannabis.

(f) Any registered qualifying patient who commits a violation of Section 11-502.1 of the Illinois Vehicle Code or refuses a properly requested test related to operating a motor vehicle while under the influence of cannabis shall have the patient's registry identification card revoked.

(g) No registered qualifying patient or designated caregiver shall knowingly obtain, seek to obtain, or possess, individually or collectively, an amount of usable cannabis from a registered medical cannabis dispensing organization that would cause the patient or caregiver to exceed the authorized adequate supply under subsection (a) of Section 75-10.

(h) Nothing in this Article shall prevent a private business from restricting or prohibiting the medical use of cannabis on its property.

(i) Nothing in this Article shall prevent a university, college, or other institution of post-secondary education from restricting or prohibiting the use of medical cannabis on its

property.

(410 ILCS 705/75-31 new)

Sec. 75-31. Administration to persons with disabilities in park district programs.

(a) Definitions. As used in this Section:

(1) "Park district" has the meaning as defined in Section 1-3 of the Park District Code. "Park district" includes the Chicago Park District as defined by the Chicago Park District Act, any special recreational association created by a park district through an intergovernmental agreement, and any nonprofit organization authorized by the park district or special recreational association to administer a program for persons with disabilities on its behalf.

(2) "Program participant" means a person with disabilities who is a registered qualifying patient and who participates in a summer camp, educational program, or other similar program provided by a park district for persons with disabilities.

(b) Subject to the restrictions under subsections (c) through (f) of this Section, a park district shall authorize a program participant's parent, guardian, or other designated caregiver to administer a medical cannabis infused product to the program participant on the premises of the park district if both the program participant and the parent, guardian, or

other designated caregiver are cardholders. After administering the medical cannabis infused product, the parent, guardian, or other designated caregiver shall remove the medical cannabis infused product from the premises of the park district.

(c) A parent, guardian, or other designated caregiver may not administer a medical cannabis infused product under this Section in a manner that, in the opinion of the park district, would create a disruption to the park district's program or activity for persons with disabilities or would cause exposure of the medical cannabis infused product to other program participants.

(d) A park district may not discipline a program participant who is administered a medical cannabis infused product by a parent, guardian, or other designated caregiver under this Section and may not deny the program participant's eligibility to attend the park district's program or activity for persons with disabilities solely because the program participant requires the administration of the medical cannabis infused product.

(e) Nothing in this Section requires a member of the park district's staff to administer a medical cannabis infused product to a program participant.

(f) A park district may not authorize the use of a medical cannabis infused product under this Section if the park district would lose federal funding as a result of the

authorization.

(410 ILCS 705/75-35 new)

Sec. 75-35. Certifying health care professional requirements.

(a) A certifying health care professional who certifies a debilitating medical condition for a qualifying patient shall comply with all of the following requirements:

(1) The certifying health care professional shall be currently licensed under the Medical Practice Act of 1987 to practice medicine in all its branches, the Nurse Practice Act, or the Physician Assistant Practice Act of 1987, shall be in good standing, and must hold a controlled substances license under Article III of the Illinois Controlled Substances Act.

(2) A certifying health care professional certifying a patient's condition shall comply with generally accepted standards of medical practice, the provisions of the Act under which he or she is licensed and all applicable rules.

(3) The physical examination required by this Article may not be performed by remote means, including telemedicine.

(4) The certifying health care professional shall maintain a record-keeping system for all patients for whom the certifying health care professional has certified the

patient's medical condition. These records shall be accessible to and subject to review by the Commission upon request.

(b) A certifying health care professional may not:

(1) accept, solicit, or offer any form of remuneration from or to a qualifying patient, primary caregiver, cultivation center, or dispensing organization, including each principal officer, board member, agent, and employee, to certify a patient, other than accepting payment from a patient for the fee associated with the required examination, except for the limited purpose of performing a medical cannabis-related research study;

(1.5) accept, solicit, or offer any form of remuneration from or to a medical cannabis cultivation center or dispensary organization for the purposes of referring a patient to a specific dispensary organization;

(1.10) engage in any activity that is prohibited under Section 22.2 of the Medical Practice Act of 1987, regardless of whether the certifying health care professional is a physician, advanced practice registered nurse, or physician assistant;

(2) offer a discount of any other item of value to a qualifying patient who uses or agrees to use a particular primary caregiver or dispensing organization to obtain medical cannabis;

(3) conduct a personal physical examination of a

patient for purposes of diagnosing a debilitating medical condition at a location where medical cannabis is sold or distributed or at the address of a principal officer, agent, or employee or a medical cannabis organization;

(4) hold a direct or indirect economic interest in a cultivation center or dispensing organization if he or she recommends the use of medical cannabis to qualified patients or is in a partnership or other fee or profit-sharing relationship with a certifying health care professional who recommends medical cannabis, except for the limited purpose of performing a medical cannabis-related research study;

(5) serve on the board of directors or as an employee of a cultivation center or dispensing organization;

(6) refer patients to a cultivation center, a dispensing organization, or a registered designated caregiver; or

(7) advertise in a cultivation center or a dispensing organization.

(c) The Commission may with reasonable cause investigate a certifying health care professional, who has certified a debilitating medical condition of a patient, for potential violations of this Section.

(d) Any violation of this Section or any other provision of this Article or rules adopted under this Article is a violation of the certifying health care professional's

licensure act.

(e) A certifying health care professional who certifies a debilitating medical condition for a qualifying patient may notify the Department of Public Health in writing: (1) if the certifying health care professional has reason to believe either that the registered qualifying patient has ceased to suffer from a debilitating medical condition; (2) that the bona fide health care professional-patient relationship has terminated; or (3) that continued use of medical cannabis would result in contraindication with the patient's other medication. The registered qualifying patient's registry identification card shall be revoked by the Commission after receiving the certifying health care professional's notification.

(f) Nothing in this Article shall preclude a certifying health care professional from referring a patient for health services, except when the referral is limited to certification purposes only, under this Article.

(410 ILCS 705/75-36 new)

Sec. 75-36. Written certification.

(a) A certification confirming a patient's debilitating medical condition shall be written on a form provided by the Commission and shall include, at a minimum, the following:

(1) the qualifying patient's name, date of birth, home address, and primary telephone number;

(2) the certifying health care professional's name, address, telephone number, email address, and medical, advanced practice registered nurse, or physician assistant license number, and the last 4 digits, only, of his or her active controlled substances license under the Illinois Controlled Substances Act and indication of specialty or primary area of clinical practice, if any;

(3) the qualifying patient's debilitating medical condition;

(4) a statement that the certifying health care professional has confirmed a diagnosis of a debilitating condition; is treating or managing treatment of the patient's debilitating condition; has a bona fide health care professional-patient relationship; has conducted an in-person physical examination; and has conducted a review of the patient's medical history, including reviewing medical records from other treating health care professionals, if any, from the previous 12 months;

(5) the certifying health care professional's signature and date of certification; and

(6) a statement that a participant in possession of a written certification indicating a debilitating medical condition shall not be considered an unlawful user or addicted to narcotics solely as a result of his or her pending application to or participation in the Compassionate Use of Medical Cannabis Program.

(b) A written certification does not constitute a prescription for medical cannabis.

(c) Applications for qualifying patients under 18 years old shall require a written certification from a certifying health care professional and a reviewing certifying health care professional.

(d) A certification confirming the patient's eligibility to participate in the Opioid Alternative Pilot Program shall be written on a form provided by the Department of Public Health and shall include, at a minimum, the following:

(1) the participant's name, date of birth, home address, and primary telephone number;

(2) the certifying health care professional's name, address, telephone number, email address, and medical, advanced practice registered nurse, or physician assistant license number, and the last 4 digits, only, of his or her active controlled substances license under the Illinois Controlled Substances Act and indication of specialty or primary area of clinical practice, if any;

(3) the certifying health care professional's signature and date;

(4) the length of participation in the program, which shall be limited to no more than 90 days;

(5) a statement identifying the patient has been diagnosed with and is currently undergoing treatment for a medical condition where an opioid has been or could be

prescribed; and

(6) a statement that a participant in possession of a written certification indicating eligibility to participate in the Opioid Alternative Pilot Program shall not be considered an unlawful user or addicted to narcotics solely as a result of his or her eligibility or participation in the program.

(e) The Commission may provide a single certification form for subsections (a) and (d) of this Section, provided that all requirements of those subsections are included on the form.

(f) The Commission shall not include the word "cannabis" on any application forms or written certification forms that it issues under this Section.

(g) A written certification does not constitute a prescription.

(h) It is unlawful for any person to knowingly submit a fraudulent certification to be a qualifying patient in the Compassionate Use of Medical Cannabis Program or an Opioid Alternative Pilot Program participant. A violation of this subsection shall result in the person who has knowingly submitted the fraudulent certification being permanently banned from participating in the Compassionate Use of Medical Cannabis Program or the Opioid Alternative Pilot Program.

(410 ILCS 705/75-40 new)

Sec. 75-40. Discrimination prohibited.

(a)(1) No school, employer, or landlord may refuse to enroll or lease to, or otherwise penalize, a person solely for his or her status as a registered qualifying patient or a registered designated caregiver, unless failing to do so would put the school, employer, or landlord in violation of federal law or unless failing to do so would cause it to lose a monetary or licensing-related benefit under federal law or rules. This does not prevent a landlord from prohibiting the smoking of cannabis on the premises.

(2) For the purposes of medical care, including organ transplants, a registered qualifying patient's authorized use of cannabis in accordance with this Article is considered the equivalent of the authorized use of any other medication used at the direction of a certifying health care professional, and may not constitute the use of an illicit substance or otherwise disqualify a qualifying patient from needed medical care.

(b) A person otherwise entitled to custody of or visitation or parenting time with a minor may not be denied that right, and there is no presumption of neglect or child endangerment, for conduct allowed under this Article, unless the person's actions in relation to cannabis were such that they created an unreasonable danger to the safety of the minor as established by clear and convincing evidence.

(c) No school, landlord, or employer may be penalized or denied any benefit under State law for enrolling, leasing to,

or employing a cardholder.

(d) Nothing in this Article may be construed to require a government medical assistance program, employer, property and casualty insurer, or private health insurer to reimburse a person for costs associated with the medical use of cannabis.

(e) Nothing in this Article may be construed to require any person or establishment in lawful possession of property to allow a guest, client, customer, or visitor who is a registered qualifying patient to use cannabis on or in that property.

(410 ILCS 705/75-45 new)

Sec. 75-45. Addition of debilitating medical conditions.

(a) Any resident may petition the Commission to add debilitating conditions or treatments to the list of debilitating medical conditions listed in subsection (h) of Section 75-10. The Commission shall approve or deny a petition within 180 days of its submission, and, upon approval, shall proceed to add that condition by rule in accordance with the Illinois Administrative Procedure Act. The approval or denial of any petition is a final decision of the Commission, subject to judicial review. Jurisdiction and venue are vested in the Circuit Court.

(b) The Commission shall accept petitions once annually for a one-month period determined by the Commission. During the open period, the Commission shall accept petitions from

any resident requesting the addition of a new debilitating medical condition or disease to the list of approved debilitating medical conditions for which the use of cannabis has been shown to have a therapeutic or palliative effect. The Commission shall provide public notice 30 days before the open period for accepting petitions, which shall describe the time period for submission, the required format of the submission, and the submission address.

(c) Each petition shall be limited to one proposed debilitating medical condition or disease.

(d) A petitioner shall file one original petition in the format provided by the Commission and in the manner specified by the Commission. For a petition to be processed and reviewed, the following information shall be included:

(1) The petition, prepared on forms provided by the Commission, in the manner specified by the Commission.

(2) A specific description of the medical condition or disease that is the subject of the petition. Each petition shall be limited to a single condition or disease. Information about the proposed condition or disease shall include:

(A) the extent to which the condition or disease itself or the treatments cause severe suffering, such as severe or chronic pain, severe nausea or vomiting, or otherwise severely impair a person's ability to conduct activities of daily living;

(B) information about why conventional medical therapies are not sufficient to alleviate the suffering caused by the disease or condition and its treatment;

(C) the proposed benefits from the medical use of cannabis specific to the medical condition or disease;

(D) evidence from the medical community and other experts supporting the use of medical cannabis to alleviate suffering caused by the condition, disease, or treatment;

(E) letters of support from physicians or other licensed health care providers knowledgeable about the condition or disease, including, if feasible, a letter from a physician, advanced practice registered nurse, or physician assistant with whom the petitioner has a bona fide health care professional-patient relationship;

(F) any additional medical, testimonial, or scientific documentation; and

(G) an electronic copy of all materials submitted.

(3) Upon receipt of a petition, the Department shall:

(A) determine whether the petition meets the standards for submission and, if so, shall accept the petition for further review; or

(B) determine whether the petition does not meet the standards for submission and, if so, shall deny

the petition without further review.

(4) If the petition does not fulfill the standards for submission, the petition shall be considered deficient. The Commission shall notify the petitioner, who may correct any deficiencies and resubmit the petition during the next open period.

(e) The petitioner may withdraw his or her petition by submitting a written statement to the Commission indicating withdrawal.

(f) Upon review of accepted petitions, the Director shall render a final decision regarding the acceptance or denial of the proposed debilitating medical conditions or diseases.

(g) The Commission shall convene a Medical Cannabis Advisory Board (Advisory Board) composed of 16 members, which shall include:

(1) one medical cannabis patient advocate or designated caregiver;

(2) one parent or designated caregiver of a person under the age of 18 who is a qualified medical cannabis patient;

(3) two registered nurses or nurse practitioners;

(4) three registered qualifying patients, including one veteran; and

(5) nine health care practitioners with current professional licensure in their field. The Advisory Board shall be composed of health care practitioners

representing the following areas:

(A) neurology;

(B) pain management;

(C) medical oncology;

(D) psychiatry or mental health;

(E) infectious disease;

(F) family medicine;

(G) general primary care;

(H) medical ethics;

(I) pharmacy;

(J) pediatrics; or

(K) psychiatry or mental health for children or adolescents.

At least one appointed health care practitioner shall have direct experience related to the health care needs of veterans and at least one individual shall have pediatric experience.

(h) Members of the Advisory Board shall be appointed by the Governor.

(1) Members shall serve a term of 4 years or until a successor is appointed and qualified. If a vacancy occurs, the Governor shall appoint a replacement to complete the original term created by the vacancy.

(2) The Governor shall select a chairperson.

(3) Members may serve multiple terms.

(4) Members shall not have an affiliation with, serve on the board of, or have a business relationship with a

registered cultivation center or a registered medical cannabis dispensary.

(5) Members shall disclose any real or apparent conflicts of interest that may have a direct bearing of the subject matter, such as relationships with pharmaceutical companies, biomedical device manufacturers, or corporations whose products or services are related to the medical condition or disease to be reviewed.

(6) Members shall not be paid but shall be reimbursed for travel expenses incurred while fulfilling the responsibilities of the Advisory Board.

(i) On June 30, 2016 (the effective date of Public Act 99-519), the terms of office of the members of the Advisory Board serving on that date shall terminate and the Board shall be reconstituted.

(j) The Advisory Board shall convene at the call of the Chair:

(1) to examine debilitating conditions or diseases that would benefit from the medical use of cannabis; and

(2) to review new medical and scientific evidence pertaining to currently approved conditions.

(k) The Advisory Board shall issue an annual report of its activities each year.

(l) The Advisory Board shall receive administrative support from the Department.

(410 ILCS 705/75-50 new)

Sec. 75-50. Employment; employer liability.

(a) Nothing in this Article shall prohibit an employer from adopting reasonable regulations concerning the consumption, storage, or timekeeping requirements for qualifying patients related to the use of medical cannabis.

(b) Nothing in this Article shall prohibit an employer from enforcing a policy concerning drug testing, zero-tolerance, or a drug free workplace provided the policy is applied in a nondiscriminatory manner.

(c) Nothing in this Article shall limit an employer from disciplining a registered qualifying patient for violating a workplace drug policy.

(d) Nothing in this Article shall limit an employer's ability to discipline an employee for failing a drug test if failing to do so would put the employer in violation of federal law or cause it to lose a federal contract or funding.

(e) Nothing in this Article shall be construed to create a defense for a third party who fails a drug test.

(f) An employer may consider a registered qualifying patient to be impaired when he or she manifests specific, articulable symptoms while working that decrease or lessen his or her performance of the duties or tasks of the employee's job position, including symptoms of the employee's speech, physical dexterity, agility, coordination, demeanor,

irrational or unusual behavior, negligence or carelessness in operating equipment or machinery, disregard for the safety of the employee or others, or involvement in an accident that results in serious damage to equipment or property, disruption of a production or manufacturing process, or carelessness that results in any injury to the employee or others. If an employer elects to discipline a qualifying patient under this subsection, it must afford the employee a reasonable opportunity to contest the basis of the determination.

(g) Nothing in this Article shall be construed to create or imply a cause of action for any person against an employer for: (1) actions based on the employer's good faith belief that a registered qualifying patient used or possessed cannabis while on the employer's premises or during the hours of employment; (2) actions based on the employer's good faith belief that a registered qualifying patient was impaired while working on the employer's premises during the hours of employment; (3) injury or loss to a third party if the employer neither knew nor had reason to know that the employee was impaired.

(h) Nothing in this Article shall be construed to interfere with any federal restrictions on employment including but not limited to the United States Department of Transportation regulation 49 CFR 40.151(e).

(410 ILCS 705/75-55 new)

Sec. 75-55. Registration of qualifying patients and designated caregivers.

(a) The Commission shall issue registry identification cards to qualifying patients and designated caregivers who submit a completed application, and at minimum, the following, in accordance with Commission rules:

(1) A written certification, on a form developed by the Commission consistent with Section 75-36 and issued by a certifying health care professional, within 90 days immediately preceding the date of an application and submitted by the qualifying patient or his or her designated caregiver;

(2) upon the execution of applicable privacy waivers, the patient's medical documentation related to his or her debilitating condition and any other information that may be reasonably required by the Commission to confirm that the certifying health care professional and patient have a bona fide health care professional-patient relationship, that the qualifying patient is in the certifying health care professional's care for his or her debilitating medical condition, and to substantiate the patient's diagnosis;

(3) the application or renewal fee as set by rule;

(4) the name, address, date of birth, and social security number of the qualifying patient, except that if the applicant is unhoused no address is required;

(5) the name, address, and telephone number of the qualifying patient's certifying health care professional;

(6) the name, address, and date of birth of the designated caregiver, if any, chosen by the qualifying patient;

(7) (blank);

(8) signed statements from the patient and designated caregiver asserting that they will not divert medical cannabis; and

(9) (blank).

(b) Notwithstanding any other provision of this Article, a person provided a written certification for a debilitating medical condition who has submitted a completed online application to the Commission shall receive a provisional registration and be entitled to purchase medical cannabis from a licensed dispensing organization for a period of 90 days or until the person's application has been denied or the person receives a registry identification card, whichever is earlier. However, a person may obtain an additional provisional registration after the expiration of 90 days after the date of application if the Commission does not provide the individual with a registry identification card or deny the individual's application within those 90 days.

The provisional registration may not be extended if the individual does not respond to the Commission's request for additional information or corrections to required application

documentation.

In order for a person to receive medical cannabis under this subsection, a person must present his or her provisional registration along with a valid driver's license or State identification card to the licensed dispensing organization. The dispensing organization shall verify the person's provisional registration through the Department of Public Health's online verification system.

Upon verification of the provided documents, the dispensing organization shall dispense no more than 2.5 ounces of medical cannabis during a 14-day period to the person for a period of 90 days, until the person's application has been denied, or until the person receives a registry identification card from the Department of Public Health, whichever is earlier.

Persons with provisional registrations must keep their provisional registration in their possession at all times when transporting or engaging in the medical use of cannabis.

(c) No person or business shall charge a fee for assistance in the preparation, compilation, or submission of an application to the Compassionate Use of Medical Cannabis Program or the Opioid Alternative Pilot Program. A violation of this subsection is a Class C misdemeanor, for which restitution to the applicant and a fine of up to $1,500 may be imposed. All fines shall be deposited into the Compassionate Use of Medical Cannabis Fund after restitution has been made

to the applicant. The Commission shall refer individuals making complaints against a person or business under this Section to the Illinois State Police, who shall enforce violations of this provision. All application forms issued by the Commission shall state that no person or business may charge a fee for assistance in the preparation, compilation, or submission of an application to the Compassionate Use of Medical Cannabis Program or the Opioid Alternative Pilot Program.

(410 ILCS 705/75-57 new)

Sec. 75-57. Qualifying patients.

(a) Qualifying patients that are under the age of 18 years shall not be prohibited from appointing designated caregivers who meet the definition of "designated caregiver" under Section 75-10 so long as at least one designated caregiver is a biological parent or legal guardian.

(b) Qualifying patients that are 18 years of age or older shall not be prohibited from appointing designated caregivers who meet the definition of "designated caregiver" under Section 75-10.

(410 ILCS 705/75-60 new)

Sec. 75-60. Issuance of registry identification cards.

(a) Except as provided in subsection (b), the Department of Public Health shall:

(1) verify the information contained in an application or renewal for a registry identification card submitted under this Article, and approve or deny an application or renewal, within 90 days of receiving a completed application or renewal application and all supporting documentation specified in Section 75-55;

(2) issue registry identification cards to a qualifying patient and his or her designated caregiver, if any, within 15 business days of approving the application or renewal;

(3) enter the registry identification number of the registered dispensing organization the patient designates into the verification system; and

(4) allow for an electronic application process, and provide a confirmation by electronic or other methods that an application has been submitted.

Notwithstanding any other provision of this Article, the Commission shall adopt rules for qualifying patients and applicants with life-long debilitating medical conditions, who may be charged annual renewal fees. The Department of Public Health shall not require patients and applicants with life-long debilitating medical conditions to apply to renew registry identification cards.

(b) The Commission may not issue a registry identification card to a qualifying patient who is under 18 years of age, unless that patient suffers from seizures, including those

characteristic of epilepsy, or as provided by administrative rule. The Commission shall adopt rules for the issuance of a registry identification card for qualifying patients who are under 18 years of age and suffering from seizures, including those characteristic of epilepsy. The Commission may adopt rules to allow other individuals under 18 years of age to become registered qualifying patients under this Article with the consent of a parent or legal guardian. Registered qualifying patients under 18 years of age shall be prohibited from consuming forms of cannabis other than medical cannabis infused products and purchasing any usable cannabis.

(c) A veteran who has received treatment at a VA hospital is deemed to have a bona fide health care professional-patient relationship with a VA certifying health care professional if the patient has been seen for his or her debilitating medical condition at the VA hospital in accordance with VA hospital protocols. All reasonable inferences regarding the existence of a bona fide health care professional-patient relationship shall be drawn in favor of an applicant who is a veteran and has undergone treatment at a VA hospital.

(c-10) An individual who submits an application as someone who is terminally ill shall have all fees waived. The Commission shall within 30 days after this amendatory Act of the 102nd General Assembly adopt emergency rules to expedite approval for terminally ill individuals. These rules shall include, but not be limited to, rules that provide that

applications by individuals with terminal illnesses shall be approved or denied within 14 days of their submission.

(d) No later than 6 months after the effective date of this amendatory Act of the 102nd General Assembly, the Secretary of State shall remove all existing notations on driving records that the person is a registered qualifying patient or his or her caregiver under this Article.

(e) Upon the approval of the registration and issuance of a registry card under this Section, the Commission shall electronically forward the registered qualifying patient's identification card information to the Prescription Monitoring Program established under the Illinois Controlled Substances Act and certify that the individual is permitted to engage in the medical use of cannabis. For the purposes of patient care, the Prescription Monitoring Program shall make a notation on the person's prescription record stating that the person is a registered qualifying patient who is entitled to the lawful medical use of cannabis. If the person no longer holds a valid registry card, the Department of Public Health shall notify the Prescription Monitoring Program and Department of Human Services to remove the notation from the person's record. The Department of Human Services and the Prescription Monitoring Program shall establish a system by which the information may be shared electronically. This confidential list may not be combined or linked in any manner with any other list or database except as provided in this Section.

(f) (Blank).

(410 ILCS 705/75-62 new)

Sec. 75-62. Opioid Alternative Pilot Program.

(a) The Department of Public Health shall establish the Opioid Alternative Pilot Program and the Commission shall have oversight after July 1, 2022. Licensed dispensing organizations shall allow persons with a written certification from a certifying health care professional under Section 75-36 to purchase medical cannabis upon enrollment in the Opioid Alternative Pilot Program. The Department of Public Health shall adopt rules or establish procedures allowing qualified veterans to participate in the Opioid Alternative Pilot Program and after July 1, 2022 the Commission thereafter. For a person to receive medical cannabis under this Section, the person must present the written certification along with a valid driver's license or state identification card to the licensed dispensing organization specified in his or her application. The dispensing organization shall verify the person's status as an Opioid Alternative Pilot Program participant through the Commission's online verification system.

(b) The Opioid Alternative Pilot Program shall be limited to participation by Illinois residents age 21 and older.

(c) The Commission shall specify that all licensed dispensing organizations participating in the Opioid

Alternative Pilot Program use the Illinois Cannabis Tracking System. The Commission shall establish and maintain the Illinois Cannabis Tracking System. The Illinois Cannabis Tracking System shall be used to collect information about all persons participating in the Opioid Alternative Pilot Program and shall be used to track the sale of medical cannabis for verification purposes.

Each dispensing organization shall retain a copy of the Opioid Alternative Pilot Program certification and other identifying information as required by the Commission in the Illinois Cannabis Tracking System.

The Illinois Cannabis Tracking System shall be accessible to the Illinois State Police.

The Commission shall specify the data requirements for the Opioid Alternative Pilot Program by licensed dispensing organizations; including, but not limited to, the participant's full legal name, address, and date of birth, date on which the Opioid Alternative Pilot Program certification was issued, length of the participation in the Program, including the start and end date to purchase medical cannabis, name of the issuing physician, copy of the participant's current driver's license or State identification card, and phone number.

The Illinois Cannabis Tracking System shall provide verification of a person's participation in the Opioid Alternative Pilot Program for law enforcement at any time and

on any day.

(d) The certification for Opioid Alternative Pilot Program participant must be issued by a certifying health care professional who is licensed to practice in Illinois under the Medical Practice Act of 1987, the Nurse Practice Act, or the Physician Assistant Practice Act of 1987 and who is in good standing and holds a controlled substances license under Article III of the Illinois Controlled Substances Act.

The certification for an Opioid Alternative Pilot Program participant shall be written within 90 days before the participant submits his or her certification to the dispensing organization.

The written certification uploaded to the Illinois Cannabis Tracking System shall be accessible to the Commission.

(e) Upon verification of the individual's valid certification and enrollment in the Illinois Cannabis Tracking System, the dispensing organization may dispense the medical cannabis, in amounts not exceeding 2.5 ounces of medical cannabis per 14-day period to the participant at the participant's specified dispensary for no more than 90 days.

An Opioid Alternative Pilot Program participant shall not be registered as a medical cannabis cardholder. The dispensing organization shall verify that the person is not an active registered qualifying patient prior to enrollment in the Opioid Alternative Pilot Program and each time medical

cannabis is dispensed.

Upon receipt of a written certification under the Opioid Alternative Pilot Program, the Commission shall electronically forward the patient's identification information to the Prescription Monitoring Program established under the Illinois Controlled Substances Act and certify that the individual is permitted to engage in the medical use of cannabis. For the purposes of patient care, the Prescription Monitoring Program shall make a notation on the person's prescription record stating that the person has a written certification under the Opioid Alternative Pilot Program and is a patient who is entitled to the lawful medical use of cannabis. If the person is no longer authorized to engage in the medical use of cannabis, the Commission shall notify the Prescription Monitoring Program and Department of Human Services to remove the notation from the person's record. The Department of Human Services and the Prescription Monitoring Program shall establish a system by which the information may be shared electronically. This confidential list may not be combined or linked in any manner with any other list or database except as provided in this Section.

(f) An Opioid Alternative Pilot Program participant shall not be considered a qualifying patient with a debilitating medical condition under this Article and shall be provided access to medical cannabis solely for the duration of the participant's certification. Nothing in this Section shall be

construed to limit or prohibit an Opioid Alternative Pilot Program participant who has a debilitating medical condition from applying to the Compassionate Use of Medical Cannabis Program.

(g) A person with a provisional registration under Section 75-55 shall not be considered an Opioid Alternative Pilot Program participant.

(h) The Department of Financial and Professional Regulation and the Department of Public Health shall submit emergency rulemaking to implement the changes made by this amendatory Act of the 102nd General Assembly by December 1, 2018. The Department of Financial and Professional Regulation, the Department of Agriculture, the Department of Human Services, the Department of Public Health, and the Illinois State Police shall utilize emergency purchase authority for 12 months after the effective date of this amendatory Act of the 102nd General Assembly for the purpose of implementing the changes made by this amendatory Act of the 102nd General Assembly.

(i) Dispensing organizations are not authorized to dispense medical cannabis to Opioid Alternative Pilot Program participants until administrative rules are approved by the Joint Committee on Administrative Rules and go into effect.

(j) The provisions of this Section are inoperative on and after July 1, 2025.

(410 ILCS 705/75-65 new)

Sec. 75-65. Denial of registry identification cards.

(a) The Commission may deny an application or renewal of a qualifying patient's registry identification card only if the applicant:

(1) did not provide the required information and materials;

(2) previously had a registry identification card revoked;

(3) did not meet the requirements of this Article;

(4) provided false or falsified information; or

(5) violated any requirement of this Article.

(b) (Blank).

(b-5) (Blank).

(c) The Commission may deny an application or renewal for a designated caregiver chosen by a qualifying patient whose registry identification card was granted only if:

(1) the designated caregiver does not meet the requirements of subsection (i) of Section 75-10;

(2) the applicant did not provide the information required;

(3) the prospective patient's application was denied;

(4) the designated caregiver previously had a registry identification card revoked;

(5) the applicant or the designated caregiver provided false or falsified information; or

(6) violated any requirement of this Article.

(d) (Blank).

(e) The Commission shall notify the qualifying patient who has designated someone to serve as the patient's designated caregiver if a registry identification card will not be issued to the designated caregiver.

(f) Denial of an application or renewal is considered a final Commission action, subject to judicial review. Jurisdiction and venue for judicial review are vested in the Circuit Court.

(410 ILCS 705/75-70 new)

Sec. 75-70. Registry identification cards.

(a) A registered qualifying patient or designated caregiver must keep their registry identification card in the patient's or caregiver's possession at all times when engaging in the medical use of cannabis.

(b) Registry identification cards shall contain the following:

(1) the name of the cardholder;

(2) a designation of whether the cardholder is a designated caregiver or qualifying patient;

(3) the date of issuance and expiration date of the registry identification card;

(4) a random alphanumeric identification number that is unique to the cardholder;

(5) if the cardholder is a designated caregiver, the random alphanumeric identification number of the registered qualifying patient the designated caregiver is receiving the registry identification card to assist; and

(6) a photograph of the cardholder, if required by Commission rules.

(c) To maintain a valid registration identification card, a registered qualifying patient and caregiver must annually resubmit, at least 45 days prior to the expiration date stated on the registry identification card, a completed renewal application, renewal fee, and accompanying documentation as described in Commission rules. The Commission shall send a notification to a registered qualifying patient or registered designated caregiver 90 days prior to the expiration of the registered qualifying patient's or registered designated caregiver's identification card. If the Commission fails to grant or deny a renewal application received in accordance with this Section, then the renewal is deemed granted and the registered qualifying patient or registered designated caregiver may continue to use the expired identification card until the Commission denies the renewal or issues a new identification card.

(d) Except as otherwise provided in this Section, the expiration date is 3 years after the date of issuance.

(e) The Commission may electronically store in the card any or all of the information listed in subsection (b), along

with the address and date of birth of the cardholder and the qualifying patient's designated dispensary organization, to allow it to be read by law enforcement agents.

(410 ILCS 705/75-75 new)

Sec. 75-75. Notifications to Commission and responses; civil penalty.

(a) The following notifications and Commission responses are required:

(1) A registered qualifying patient shall notify the Commission of any change in the patient's name or address, or if the registered qualifying patient ceases to have the debilitating medical condition, within 10 days of the change.

(2) A registered designated caregiver shall notify the Commission of any change in the caregiver's name or address, or if the designated caregiver becomes aware the registered qualifying patient passed away, within 10 days of the change.

(3) Before a registered qualifying patient changes the patient's designated caregiver, the qualifying patient must notify the Commission.

(4) If a cardholder loses the cardholder's registry identification card, he or she shall notify the Commission within 10 days of becoming aware the card has been lost.

(b) When a cardholder notifies the Commission of items

listed in subsection (a), but remains eligible under this Article, the Commission shall issue the cardholder a new registry identification card with a new random alphanumeric identification number within 15 business days of receiving the updated information and a fee as specified in Commission rules. If the person notifying the Commission is a registered qualifying patient, the Department shall also issue his or her registered designated caregiver, if any, a new registry identification card within 15 business days of receiving the updated information.

(c) If a registered qualifying patient ceases to be a registered qualifying patient or changes his or her registered designated caregiver, the Commission shall promptly notify the designated caregiver. The registered designated caregiver's protections under this Article as to that qualifying patient shall expire 15 days after notification by the Department.

(d) A cardholder who fails to make a notification to the Commission that is required by this Section is subject to a civil infraction, punishable by a penalty of no more than $150.

(f) If the registered qualifying patient's certifying health care professional notifies the Department in writing that either the registered qualifying patient has ceased to suffer from a debilitating medical condition, that the bona fide health care professional-patient relationship has terminated, or that continued use of medical cannabis would

result in contraindication with the patient's other medication, the card shall become null and void. However, the registered qualifying patient shall have 15 days to destroy his or her remaining medical cannabis and related paraphernalia.

(410 ILCS 705/75-80 new)

Sec. 75-80. Preparation of cannabis infused products.

(a) Notwithstanding any other provision of law, neither the Department of Public Health nor the Commission nor the health department of a unit of local government may regulate the service of food by a registered cultivation center or registered dispensing organization provided that all of the following conditions are met:

(1) No cannabis infused products requiring refrigeration or hot-holding shall be manufactured at a cultivation center for sale or distribution at a dispensing organization due to the potential for food-borne illness.

(2) Baked products infused with medical cannabis (such as brownies, bars, cookies, cakes), tinctures, and other non-refrigerated items are acceptable for sale at dispensing organizations. The products are allowable for sale only at registered dispensing organizations.

(3) All items shall be individually wrapped at the original point of preparation. The packaging of the

medical cannabis infused product shall conform to the labeling requirements of the Illinois Food, Drug and Cosmetic Act and shall include the following information on each product offered for sale or distribution:

(A) the name and address of the registered cultivation center where the item was manufactured;

(B) the common or usual name of the item;

(C) all ingredients of the item, including any colors, artificial flavors, and preservatives, listed in descending order by predominance of weight shown with common or usual names;

(D) the following phrase: "This product was produced in a medical cannabis cultivation center not subject to public health inspection that may also process common food allergens.";

(E) allergen labeling as specified in the Federal Food, Drug and Cosmetics Act, Federal Fair Packaging and Labeling Act, and the Illinois Food, Drug and Cosmetic Act;

(F) the pre-mixed total weight (in ounces or grams) of usable cannabis in the package;

(G) a warning that the item is a medical cannabis infused product and not a food must be distinctly and clearly legible on the front of the package;

(H) a clearly legible warning emphasizing that the product contains medical cannabis and is intended for

consumption by registered qualifying patients only; and

(I) date of manufacture and "use by date".

(4) Any dispensing organization that sells edible cannabis infused products must display a placard that states the following: "Edible cannabis infused products were produced in a kitchen not subject to public health inspections that may also process common food allergens." The placard shall be no smaller than 24" tall by 36" wide, with typed letters no smaller than 2". The placard shall be clearly visible and readable by customers and shall be written in English.

(5) Cannabis infused products for sale or distribution at a dispensing organization must be prepared by an approved staff member of a registered cultivation center.

(6) A cultivation center that prepares cannabis infused products for sale or distribution at a dispensing organization shall be under the operational supervision of a Department of Public Health certified food service sanitation manager.

(b) The Commission in collaboration with the Department of Public Health shall adopt rules for the manufacture of medical cannabis-infused products and shall enforce these provisions, and for that purpose it may at all times enter every building, room, basement, enclosure, or premises occupied or used or suspected of being occupied or used for the production,

preparation, manufacture for sale, storage, sale, distribution or transportation of medical cannabis edible products, to inspect the premises and all utensils, fixtures, furniture, and machinery used for the preparation of these products.

(c) If a local health organization has a reasonable belief that a cultivation center's cannabis-infused product poses a public health hazard, it may refer the cultivation center to the Department of Public Health and the Commission. If the Department of Public Health in collaboration with the Commission finds that a cannabis-infused product poses a health hazard, the Commission may without administrative procedure to bond, bring an action for immediate injunctive relief to require that action be taken as the court may deem necessary to meet the hazard of the cultivation center.

(410 ILCS 705/75-115.5 new)

Sec. 75-115.5. Social Equity Justice Involved Medical Lottery.

(a) In this Section:

"By lot" has the same meaning as defined in Section 1-10.

"Qualifying Applicant" has the same meaning as defined in subsection (a-5) of Section 75-115.

"Social Equity Justice Involved Applicant" has the same meaning as defined in subsection (a-5) of Section 75-115.

"Social Equity Justice Involved Medical Lottery" means the process of issuing 5 available medical cannabis dispensing

organization registrations by lot, conducted by the Department of Financial and Professional Regulation, for applicants who are either: (i) Social Equity Justice Involved Applicants; or (ii) Qualifying Applicants.

(b) The Department of Financial and Professional Regulation and, after July 1, 2022, the Commission, shall conduct a Social Equity Justice Involved Medical Lottery to award up to 5 medical cannabis dispensing organization registrations by lot in accordance with Section 75-115.

(c) The Department of Financial and Professional Regulation and, after July 1, 2022, the Commission, shall adopt rules through emergency rulemaking in accordance with subsection (kk) of Section 5-45 of the Illinois Administrative Procedure Act to create a registration process, a streamlined application, an application fee not to exceed $5,000 for purposes of this Section, and limits on the number of entries into the Social Equity Justice Involved Medical Lottery, as well as any other measures to reduce barriers to enter the cannabis industry. The General Assembly finds that the adoption of rules to regulate cannabis use is deemed an emergency and necessary for the public interest, safety, and welfare.

(d) Social Equity Justice Involved Applicants awarded a registration under subsection (a-5) of Section 75-115 are eligible to serve purchasers at the same site and a secondary site under this Act, subject to application and inspection

processes established by the Department. The licenses issued under this Section shall be valid for 2 years after the date of issuance and shall renew in the manner proscribed by the Department.

(e) No applicant may be awarded more than one medical cannabis dispensing organization registration at the conclusion of the lottery conducted under this Section.

(f) No individual may be listed as a principal officer of more than one medical cannabis dispensing organization registration awarded under this Section.

(410 ILCS 705/75-140 new)

Sec. 75-140. Local ordinances. A unit of local government may enact reasonable zoning ordinances or resolutions, not in conflict with this Article or with Department of Agriculture or Department of Financial and Professional Regulation rules, regulating registered medical cannabis cultivation center or medical cannabis dispensing organizations. No unit of local government, including a home rule unit, or school district may regulate registered medical cannabis organizations other than as provided in this Article and may not unreasonably prohibit the cultivation, dispensing, and use of medical cannabis authorized by this Article. This Section is a denial and limitation under subsection (i) of Section 6 of Article VII of the Illinois Constitution on the concurrent exercise by home rule units of powers and functions exercised by the State.

(410 ILCS 705/75-145 new)

Sec. 75-145. Confidentiality.

(a) The following information received and records kept by the Department of Public Health, Department of Financial and Professional Regulation, Department of Agriculture, or Illinois State Police and, after July 1, 2022, the Commission, for purposes of administering this Article are subject to all applicable federal privacy laws, confidential, and exempt from the Freedom of Information Act, and not subject to disclosure to any individual or public or private entity, except as necessary for authorized employees of those authorized agencies to perform official duties under this Article and the following information received and records kept by the Department of Public Health, Department of Agriculture, Department of Financial and Professional Regulation, Illinois State Police, and the Commission excluding any existing or non-existing Illinois or national criminal history record information as defined in subsection (d), may be disclosed to each other upon request:

(1) Applications and renewals, their contents, and supporting information submitted by qualifying patients and designated caregivers, including information regarding their designated caregivers and certifying health care professionals.

(2) Applications and renewals, their contents, and

supporting information submitted by or on behalf of cultivation centers and dispensing organizations in compliance with this Article, including their physical addresses. This does not preclude the release of ownership information of cannabis business establishment licenses.

(3) The individual names and other information identifying persons to whom the Department of Public Health has issued registry identification cards.

(4) Any dispensing information required to be kept under Section 75-135, Section 75-150, or Department of Public Health, Department of Agriculture, Department of Financial and Professional Regulation, and Commission rules shall identify cardholders and registered cultivation centers by their registry identification numbers and medical cannabis dispensing organizations by their registration number and not contain names or other personally identifying information.

(5) All medical records provided to the Department of Public Health and the Commission in connection with an application for a registry card.

(b) Nothing in this Section precludes the following:

(1) Department of Agriculture, Department of Financial and Professional Regulation, Public Health, or Commission employees may notify law enforcement about falsified or fraudulent information submitted to the Departments if the employee who suspects that falsified or fraudulent

information has been submitted conferred with his or her supervisor and both agree that circumstances exist that warrant reporting.

(2) If the employee conferred with the employee's supervisor and both agree that circumstances exist that warrant reporting, Commission employees may notify the Department of Financial and Professional Regulation if there is reasonable cause to believe a certifying health care professional:

(A) issued a written certification without a bona fide health care professional-patient relationship under this Article;

(B) issued a written certification to a person who was not under the certifying health care professional's care for the debilitating medical condition; or

(C) failed to abide by the acceptable and prevailing standard of care when evaluating a patient's medical condition.

(3) The Department of Public Health, Department of Agriculture, and Department of Financial and Professional Regulation and, after July 1, 2022, the Commission, may notify State or local law enforcement about apparent criminal violations of this Article if the employee who suspects the offense has conferred with the employee's supervisor and both agree that circumstances exist that

warrant reporting.

(4) Medical cannabis cultivation center agents and medical cannabis dispensing organizations may notify the Department of Public Health, Department of Financial and Professional Regulation, or Department of Agriculture and, after July 1, 2022, the Commission, of a suspected violation or attempted violation of this Article or the rules issued under it.

(5) The Commission may verify registry identification cards under Section 75-150.

(6) The submission of the report to the General Assembly under Section 75-160.

(b-5) Each Department responsible for licensure under this Article shall publish on the Department's website a list of the ownership information of cannabis business establishment licensees under the Department's jurisdiction. The list shall include, but shall not be limited to, the name of the person or entity holding each cannabis business establishment license and the address at which the entity is operating under this Article. This list shall be published and updated monthly.

(c) Except for any ownership information released pursuant to subsection (b-5) or as otherwise authorized or required by law, it is a Class B misdemeanor with a $1,000 fine for any person, including an employee or official of the Department of Public Health, Department of Financial and Professional Regulation, or Department of Agriculture or another State

agency or local government, to breach the confidentiality of information obtained under this Article.

(d) The Department of Public Health, the Department of Agriculture, the Illinois State Police, and the Department of Financial and Professional Regulation shall not share or disclose any existing or non-existing Illinois or national criminal history record information. For the purposes of this Section, "any existing or non-existing Illinois or national criminal history record information" means any Illinois or national criminal history record information, including but not limited to the lack of or non-existence of these records.

(410 ILCS 705/75-170 new)

Sec. 75-170. Enforcement of this Article.

(a) If a Department fails to adopt rules to implement this Article within the times provided for in this Article, any citizen may commence a mandamus action in the Circuit Court to compel the Departments to perform the actions mandated under the provisions of this Article.

(b) If the Department of Public Health, Department of Agriculture, or Department of Financial and Professional Regulation fails to issue a valid identification card in response to a valid application or renewal submitted under this Article or fails to issue a verbal or written notice of denial of the application within 30 days of its submission, the identification card is deemed granted, and a copy of the

registry identification application, including a valid written certification in the case of patients, or renewal shall be deemed a valid registry identification card.

(c) Authorized employees of State or local law enforcement agencies shall immediately notify the Department of Public Health when any person in possession of a registry identification card has been determined by a court of law to have willfully violated the provisions of this Article or has pled guilty to the offense.

(410 ILCS 705/75-173 new)

Sec. 75-173. Conflicts of law. To the extent that any provision of this Article conflicts with any Act that allows the recreational use of cannabis, the provisions of that Act shall control.

(410 ILCS 705/75-175 new)

Sec. 75-175. Administrative hearings.

(a) Administrative hearings involving the Department of Public Health, a qualifying patient, or a designated caregiver shall be conducted under the Department of Public Health's rules governing administrative hearings.

(b) Administrative hearings involving the Department of Financial and Professional Regulation, dispensing organizations, or dispensing organization agents shall be conducted under the Department of Financial and Professional

Regulation's rules governing administrative hearings.

(c) Administrative hearings involving the Department of Agriculture, registered cultivation centers, or cultivation center agents shall be conducted under the Department of Agriculture's rules governing administrative hearings.

(410 ILCS 705/75-180 new)

Sec. 75-180. Destruction of medical cannabis.

(a) All cannabis byproduct, scrap, and harvested cannabis not intended for distribution to a medical cannabis organization must be destroyed and disposed of pursuant to State law. Documentation of destruction and disposal shall be retained at the cultivation center for a period of not less than 5 years.

(b) A cultivation center shall prior to the destruction, notify the Department of Agriculture and the Illinois State Police.

(c) The cultivation center shall keep record of the date of destruction and how much was destroyed.

(d) A dispensary organization shall destroy all cannabis, including cannabis-infused products, that are not sold to registered qualifying patients. Documentation of destruction and disposal shall be retained at the dispensary organization for a period of not less than 5 years.

(e) A dispensary organization shall prior to the destruction, notify the Department of Financial and

Professional Regulation and the Illinois State Police.

(410 ILCS 705/75-185 new)

Sec. 75-185. Suspension revocation of a registration.

(a) The Department of Agriculture, the Department of Financial and Professional Regulation, and the Department of Public Health may suspend or revoke a registration for violations of this Article and rules issued in accordance with this Section.

(b) The suspension or revocation of a registration is a final Department action, subject to judicial review. Jurisdiction and venue for judicial review are vested in the Circuit Court.

(410 ILCS 705/75-190 new)

Sec. 75-190. Medical Cannabis Cultivation Privilege Tax Law. Sections 75-190 through 75-215 may be cited as the Medical Cannabis Cultivation Privilege Tax Law.

(410 ILCS 705/75-195 new)

Sec. 75-195. Definitions.As used in this Article:

"Cultivation center" has the meaning ascribed to that term in the Compassionate Use of Medical Cannabis Program Act.

"Department" means the Department of Revenue.

"Dispensing organization" has the meaning ascribed to that term in the Compassionate Use of Medical Cannabis Program Act.

"Person" means an individual, partnership, corporation, or public or private organization.

"Qualifying patient" means a qualifying patient registered under the Compassionate Use of Medical Cannabis Program Act.

(410 ILCS 705/75-200 new)

Sec. 75-200. Tax imposed.

(a) Beginning on the effective date of this Article, a tax is imposed upon the privilege of cultivating medical cannabis at a rate of 7% of the sales price per ounce. The proceeds from this tax shall be deposited into the Compassionate Use of Medical Cannabis Fund created under the Compassionate Use of Medical Cannabis Program Act. This tax shall be paid by a cultivation center and is not the responsibility of a dispensing organization or a qualifying patient.

(b) The tax imposed under this Article shall be in addition to all other occupation or privilege taxes imposed by the State of Illinois or by any municipal corporation or political subdivision thereof.

(410 ILCS 705/75-205 new)

Sec. 75-205. Department enforcement.

(a) Every person subject to the tax under this Article shall apply to the Department (upon a form prescribed and furnished by the Department) for a certificate of registration under this Article. Application for a certificate of

registration shall be made to the Department upon forms furnished by the Department. The certificate of registration which is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit the taxpayer to engage in a business which is taxable under this Article without registering separately with the Department.

(b) The Department shall have full power to administer and enforce this Article, to collect all taxes and penalties due hereunder, to dispose of taxes and penalties so collected in the manner hereinafter provided, and to determine all rights to credit memoranda, arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Article, the Department and persons who are subject to this Article shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1, 1a, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2a, 2b, 2c, 3 (except provisions relating to transaction returns and quarter monthly payments, and except for provisions that are inconsistent with this Article), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a, 12 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act as fully as if those provisions were set forth

herein.

(410 ILCS 705/75-210 new)

Sec. 75-210. Returns.

(a) This subsection (a) applies to returns due on or before the effective date of this amendatory Act of the 102nd General Assembly. On or before the twentieth day of each calendar month, every person subject to the tax imposed under this Article during the preceding calendar month shall file a return with the Department, stating:

(1) The name of the taxpayer;

(2) The number of ounces of medical cannabis sold to a dispensing organization or a registered qualifying patient during the preceding calendar month;

(3) The amount of tax due;

(4) The signature of the taxpayer; and

(5) Such other reasonable information as the Department may require.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

The taxpayer shall remit the amount of the tax due to the Department at the time the taxpayer files his or her return.

(b) Beginning on the effective date of this amendatory Act of the 102nd General Assembly, Section 65-20 shall apply to

returns filed and taxes paid under this Article to the same extent as if those provisions were set forth in full in this Section.

(410 ILCS 705/75-215 new)

Sec. 75-215. Rules. The Department may adopt rules related to the enforcement of this Article.

(410 ILCS 705/10-30 rep.)

(410 ILCS 705/15-36 rep.)

(410 ILCS 705/15-40 rep.)

(410 ILCS 705/15-45 rep.)

(410 ILCS 705/15-50 rep.)

(410 ILCS 705/15-60 rep.)

(410 ILCS 705/15-65 rep.)

(410 ILCS 705/15-70 rep.)

(410 ILCS 705/15-95 rep.)

(410 ILCS 705/20-20 rep.)

(410 ILCS 705/20-25 rep.)

(410 ILCS 705/20-35 rep.)

(410 ILCS 705/20-40 rep.)

(410 ILCS 705/20-45 rep.)

(410 ILCS 705/30-15 rep.)

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(410 ILCS 705/35-30 rep.)

(410 ILCS 705/35-35 rep.)

(410 ILCS 705/35-40 rep.)

(410 ILCS 705/40-15 rep.)

(410 ILCS 705/40-30 rep.)

(410 ILCS 705/40-35 rep.)

(410 ILCS 705/40-40 rep.)

(410 ILCS 705/55-80 rep.)

Section 15. The Cannabis Regulation and Tax Act is amended by repealing Sections 10-30, 15-36, 15-40, 15-45, 15-50, 15-60, 15-65, 15-70, 15-95, 20-20, 20-25, 20-35, 20-40, 20-45, 30-15, 30-25, 30-35, 30-40, 35-15, 35-20, 35-30, 35-35, 35-40, 40-15, 40-30, 40-35, 40-40, and 55-80.

410 ILCS 130/Act rep.

Section 20. The Compassionate Use of Medical Cannabis Program Act is repealed.

Section 99. Effective date. This Act takes effect July 1, 2022.

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410 ILCS 705/55-80 rep.

410 ILCS 130/Act rep.