



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

HB0025

Introduced 1/12/2023, by Rep. La Shawn K. Ford

#### SYNOPSIS AS INTRODUCED:

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

Amends the Cannabis Regulation and Tax Act. Raises specified square footage requirements for craft growers. Removes language allowing the Department of Agriculture to authorize a decrease of flowering stage cultivation space used for cultivating specified plants. Raises the maximum number of craft grower licenses for specified craft growers to 3 (rather than one), 6 (rather than 2), and 10 (rather than 3). Removes language prohibiting craft growers from being located within 1,500 feet of each other. Prohibits cannabis product advertising from describing or referencing a cannabis product as "craft" unless the cannabis product is produced by a craft grower. Provides that the Cannabis Cultivation Privilege Tax shall not be assessed against or collected from specified craft growers until 2 years after the date the craft grower was awarded a license. Makes other changes.

LRB103 03524 CPF 48530 b

1 AN ACT concerning regulation.

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

4 Section 5. The Cannabis Regulation and Tax Act is amended  
5 by changing Sections 1-10, 30-5, 30-30, 40-25, 55-20, and  
6 60-10 as follows:

7 (410 ILCS 705/1-10)

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

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

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

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

1 cannabis business establishment.

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

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

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

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

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

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

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

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

1 transportation.

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

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

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

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

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

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

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

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

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

23 "Conditional Adult Use Dispensing Organization License"  
24 means a contingent license awarded to applicants for an Adult  
25 Use Dispensing Organization License that reserves the right to  
26 an Adult Use Dispensing Organization License if the applicant

1 meets certain conditions described in this Act, but does not  
2 entitle the recipient to begin purchasing or selling cannabis  
3 or cannabis-infused products.

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

11 "Craft grower" means a facility operated by an  
12 organization or business that is licensed by the Department of  
13 Agriculture to cultivate, dry, cure, and package cannabis and  
14 perform other necessary activities to make cannabis available  
15 for sale at a dispensing organization or use at a processing  
16 organization. A craft grower may contain up to 14,000 ~~5,000~~  
17 square feet of canopy space on its premises for plants in the  
18 flowering state. The Department of Agriculture may authorize  
19 an increase ~~or decrease~~ of flowering stage cultivation space  
20 in increments of 14,000 ~~3,000~~ square feet by rule based on  
21 market need, craft grower capacity, and the licensee's history  
22 of compliance or noncompliance, with a maximum space of 56,000  
23 ~~14,000~~ square feet for cultivating plants in the flowering  
24 stage, which must be cultivated in all stages of growth in an  
25 enclosed and secure area. A craft grower may share premises  
26 with a processing organization or a dispensing organization,

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

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

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

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

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

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

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

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



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

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

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

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

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

1 Economic Opportunity, that:

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

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

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

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

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

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

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

1 otherwise provided in this Act), processing, and selling  
2 cannabis or cannabis-infused product to cannabis business  
3 establishments for resale to purchasers as permitted by this  
4 Act as of January 1, 2020.

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

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

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

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

1 business establishment or acting pursuant to this Act to  
2 cultivate, process, store, or distribute cannabis.

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

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

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

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

26 "Flowering stage" means the stage of cultivation where and

1 when a cannabis plant is cultivated to produce plant material  
2 for cannabis products. This includes mature plants as follows:

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

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

10 "Individual" means a natural person.

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

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

20 "Labor peace agreement" means an agreement between a  
21 cannabis business establishment and any labor organization  
22 recognized under the National Labor Relations Act, referred to  
23 in this Act as a bona fide labor organization, that prohibits  
24 labor organizations and members from engaging in picketing,  
25 work stoppages, boycotts, and any other economic interference  
26 with the cannabis business establishment. This agreement means

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

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

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

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

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

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

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

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

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

1 21 years of age or older or who is a registered qualifying  
2 medical cannabis patient or caregiver under the Compassionate  
3 Use of Medical Cannabis Program Act.

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

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

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



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

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

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

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

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

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

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

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

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

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

8 (3) school records;

9 (4) a voter registration card;

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

13 (6) a paycheck stub;

14 (7) a utility bill;

15 (8) tax records; or

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

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

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

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

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

1 control by one or more individuals who:

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

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

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

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

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

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

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

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

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

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

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

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

25 "Transporting organization agent identification card"  
26 means a document issued by the Department of Agriculture that

1 identifies a person as a transporting organization agent.

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

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

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

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

17 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;  
18 102-98, eff. 7-15-21; 102-538, eff. 8-20-21; 102-813, eff.  
19 5-13-22.)

20 (410 ILCS 705/30-5)

21 Sec. 30-5. Issuance of licenses.

22 (a) The Department of Agriculture shall issue up to 40  
23 craft grower licenses by July 1, 2020. Any person or entity  
24 awarded a license pursuant to this subsection shall only hold  
25 up to 3 ~~one~~ craft grower licenses ~~license and may not sell that~~

1 ~~license until after December 21, 2021.~~

2 (b) By December 21, 2021, the Department of Agriculture  
3 shall issue up to 60 additional craft grower licenses. Any  
4 person or entity awarded a license pursuant to this subsection  
5 shall not hold more than 6 ~~2~~ craft grower licenses. The person  
6 or entity awarded a license pursuant to this subsection or  
7 subsection (a) of this Section may sell its craft grower  
8 license subject to the restrictions of this Act or as  
9 determined by administrative rule. Prior to issuing such  
10 licenses, the Department may adopt rules through emergency  
11 rulemaking in accordance with subsection (kk) of Section 5-45  
12 of the Illinois Administrative Procedure Act, to modify or  
13 raise the number of craft grower licenses and modify or change  
14 the licensing application process. The General Assembly finds  
15 that the adoption of rules to regulate cannabis use is deemed  
16 an emergency and necessary for the public interest, safety,  
17 and welfare. In determining whether to exercise the authority  
18 granted by this subsection, the Department of Agriculture must  
19 consider the following factors:

20 (1) the percentage of cannabis sales occurring in  
21 Illinois not in the regulated market using data from the  
22 Substance Abuse and Mental Health Services Administration,  
23 National Survey on Drug Use and Health, Illinois  
24 Behavioral Risk Factor Surveillance System, and tourism  
25 data from the Illinois Office of Tourism to ascertain  
26 total cannabis consumption in Illinois compared to the

1 amount of sales in licensed dispensing organizations;

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

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

7 (4) whether there is an oversupply of cannabis in  
8 Illinois leading to trafficking of cannabis to states  
9 where the sale of cannabis is not permitted by law;

10 (5) population increases or shifts;

11 (6) the density of craft growers in any area of the  
12 State;

13 (7) perceived security risks of increasing the number  
14 or location of craft growers;

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

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

18 (10) (blank); and

19 (11) any other criteria the Department of Agriculture  
20 deems relevant.

21 (c) After January 1, 2022, the Department of Agriculture  
22 may by rule modify or raise the number of craft grower licenses  
23 and modify or change the licensing application process. At no  
24 time may the number of craft grower licenses exceed 150. Any  
25 person or entity awarded a license pursuant to this subsection  
26 shall not hold more than 10 ~~3~~ craft grower licenses. A person

1 or entity awarded a license pursuant to this subsection or  
2 subsection (a) or subsection (b) of this Section may sell its  
3 craft grower license or licenses subject to the restrictions  
4 of this Act or as determined by administrative rule.

5 (d) Upon the completion of the disparity and availability  
6 study pertaining to craft growers by the Cannabis Regulation  
7 Oversight Officer pursuant to subsection (e) of Section 5-45,  
8 the Department may modify or change the licensing application  
9 process to reduce or eliminate barriers from and remedy  
10 evidence of discrimination identified in the disparity and  
11 availability study.

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

14 (410 ILCS 705/30-30)

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

16 (a) The operating documents of a craft grower shall  
17 include procedures for the oversight of the craft grower, a  
18 cannabis plant monitoring system including a physical  
19 inventory recorded weekly, accurate recordkeeping, and a  
20 staffing plan.

21 (b) A craft grower shall implement a security plan  
22 reviewed by the Illinois State Police that includes, but is  
23 not limited to: facility access controls, perimeter intrusion  
24 detection systems, personnel identification systems, and a  
25 24-hour surveillance system to monitor the interior and



1 exterior of the craft grower facility and that is accessible  
2 to authorized law enforcement and the Department of  
3 Agriculture in real time.

4 (c) All cultivation of cannabis by a craft grower must  
5 take place in an enclosed, locked facility at the physical  
6 address provided to the Department of Agriculture during the  
7 licensing process. The craft grower location shall only be  
8 accessed by the agents working for the craft grower, the  
9 Department of Agriculture staff performing inspections, the  
10 Department of Public Health staff performing inspections,  
11 State and local law enforcement or other emergency personnel,  
12 contractors working on jobs unrelated to cannabis, such as  
13 installing or maintaining security devices or performing  
14 electrical wiring, transporting organization agents as  
15 provided in this Act, or participants in the incubator  
16 program, individuals in a mentoring or educational program  
17 approved by the State, or other individuals as provided by  
18 rule. However, if a craft grower shares a premises with an  
19 infuser or dispensing organization, agents from those other  
20 licensees may access the craft grower portion of the premises  
21 if that is the location of common bathrooms, lunchrooms,  
22 locker rooms, or other areas of the building where work or  
23 cultivation of cannabis is not performed. At no time may an  
24 infuser or dispensing organization agent perform work at a  
25 craft grower without being a registered agent of the craft  
26 grower.

1           (d) A craft grower may not sell or distribute any cannabis  
2 to any person other than a cultivation center, a craft grower,  
3 an infuser organization, a dispensing organization, or as  
4 otherwise authorized by rule.

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

7           (f) A craft grower may not either directly or indirectly  
8 discriminate in price between different cannabis business  
9 establishments that are purchasing a like grade, strain,  
10 brand, and quality of cannabis or cannabis-infused product.  
11 Nothing in this subsection (f) prevents a craft grower from  
12 pricing cannabis differently based on differences in the cost  
13 of manufacturing or processing, the quantities sold, such as  
14 volume discounts, or the way the products are delivered.

15           (g) All cannabis harvested by a craft grower and intended  
16 for distribution to a dispensing organization must be entered  
17 into a data collection system, packaged and labeled under  
18 Section 55-21, and, if distribution is to a dispensing  
19 organization that does not share a premises with the  
20 dispensing organization receiving the cannabis, placed into a  
21 cannabis container for transport. All cannabis harvested by a  
22 craft grower and intended for distribution to a cultivation  
23 center, to an infuser organization, or to a craft grower with  
24 which it does not share a premises, must be packaged in a  
25 labeled cannabis container and entered into a data collection  
26 system before transport.

1 (h) Craft growers are subject to random inspections by the  
2 Department of Agriculture, local safety or health inspectors,  
3 the Illinois State Police, or as provided by rule.

4 (i) A craft grower agent shall notify local law  
5 enforcement, the Illinois State Police, and the Department of  
6 Agriculture within 24 hours of the discovery of any loss or  
7 theft. Notification shall be made by phone, in person, or  
8 written or electronic communication.

9 (j) A craft grower shall comply with all State and any  
10 applicable federal rules and regulations regarding the use of  
11 pesticides.

12 (k) A craft grower or craft grower agent shall not  
13 transport cannabis or cannabis-infused products to any other  
14 cannabis business establishment without a transport  
15 organization license unless:

16 (i) If the craft grower is located in a county with a  
17 population of 3,000,000 or more, the cannabis business  
18 establishment receiving the cannabis is within 2,000 feet  
19 of the property line of the craft grower;

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

24 (iii) If the craft grower is located in a county with a  
25 population of fewer than 700,000, the cannabis business  
26 establishment receiving the cannabis is within 15 miles of

1 the craft grower.

2 (l) A craft grower may enter into a contract with a  
3 transporting organization to transport cannabis to a  
4 cultivation center, a craft grower, an infuser organization, a  
5 dispensing organization, or a laboratory.

6 (m) No person or entity shall hold any legal, equitable,  
7 ownership, or beneficial interest, directly or indirectly, of  
8 more than 10 ~~3~~ craft grower licenses. Further, no person or  
9 entity that is employed by, an agent of, or has a contract to  
10 receive payment from or participate in the management of a  
11 craft grower, is a principal officer of a craft grower, or  
12 entity controlled by or affiliated with a principal officer of  
13 a craft grower shall hold any legal, equitable, ownership, or  
14 beneficial interest, directly or indirectly, in a craft grower  
15 license that would result in the person or entity owning or  
16 controlling in combination with any craft grower, principal  
17 officer of a craft grower, or entity controlled or affiliated  
18 with a principal officer of a craft grower by which he, she, or  
19 it is employed, is an agent of, or participates in the  
20 management of more than 10 ~~3~~ craft grower licenses.

21 (n) It is unlawful for any person having a craft grower  
22 license or any officer, associate, member, representative, or  
23 agent of the licensee to offer or deliver money, or anything  
24 else of value, directly or indirectly, to any person having an  
25 Early Approval Adult Use Dispensing Organization License, a  
26 Conditional Adult Use Dispensing Organization License, an

1 Adult Use Dispensing Organization License, or a medical  
2 cannabis dispensing organization license issued under the  
3 Compassionate Use of Medical Cannabis Program Act, or to any  
4 person connected with or in any way representing, or to any  
5 member of the family of, the person holding an Early Approval  
6 Adult Use Dispensing Organization License, a Conditional Adult  
7 Use Dispensing Organization License, an Adult Use Dispensing  
8 Organization License, or a medical cannabis dispensing  
9 organization license issued under the Compassionate Use of  
10 Medical Cannabis Program Act, or to any stockholders in any  
11 corporation engaged in the retail sale of cannabis, or to any  
12 officer, manager, agent, or representative of the Early  
13 Approval Adult Use Dispensing Organization License, a  
14 Conditional Adult Use Dispensing Organization License, an  
15 Adult Use Dispensing Organization License, or a medical  
16 cannabis dispensing organization license issued under the  
17 Compassionate Use of Medical Cannabis Program Act to obtain  
18 preferential placement within the dispensing organization,  
19 including, without limitation, on shelves and in display cases  
20 where purchasers can view products, or on the dispensing  
21 organization's website.

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

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

26 (q) A craft grower must comply with any other requirements

1 or prohibitions set by administrative rule of the Department  
2 of Agriculture.

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

6 (410 ILCS 705/40-25)

7 Sec. 40-25. Transporting organization requirements;  
8 prohibitions.

9 (a) The operating documents of a transporting organization  
10 shall include procedures for the oversight of the transporter,  
11 an inventory monitoring system including a physical inventory  
12 recorded weekly, accurate recordkeeping, and a staffing plan.

13 (b) A transporting organization may not transport cannabis  
14 or cannabis-infused products to any person other than a  
15 cultivation center, a craft grower, an infuser organization, a  
16 dispensing organization, a testing facility, a transporting  
17 organization depot or other transporting organization transfer  
18 facility, or as otherwise authorized by rule.

19 (c) All cannabis transported by a transporting  
20 organization must be entered into a data collection system and  
21 placed into a cannabis container for transport.

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

25 (e) A transporting organization agent shall notify local

1 law enforcement, the Illinois State Police, and the Department  
2 of Agriculture within 24 hours of the discovery of any loss or  
3 theft. Notification shall be made by phone, in person, or by  
4 written or electronic communication.

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

7 (g) No person or individual who is not a transporting  
8 organization agent shall be in a vehicle while transporting  
9 cannabis goods.

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

12 (i) It is unlawful for any person to offer or deliver  
13 money, or anything else of value, directly or indirectly, to  
14 any of the following persons to obtain preferential placement  
15 within the dispensing organization, including, without  
16 limitation, on shelves and in display cases where purchasers  
17 can view products, or on the dispensing organization's  
18 website:

19 (1) a person having a transporting organization  
20 license, or any officer, associate, member,  
21 representative, or agent of the licensee;

22 (2) a person having an Early Applicant Adult Use  
23 Dispensing Organization License, an Adult Use Dispensing  
24 Organization License, or a medical cannabis dispensing  
25 organization license issued under the Compassionate Use of  
26 Medical Cannabis Program Act;

1           (3) a person connected with or in any way  
2           representing, or a member of the family of, a person  
3           holding an Early Applicant Adult Use Dispensing  
4           Organization License, an Adult Use Dispensing Organization  
5           License, or a medical cannabis dispensing organization  
6           license issued under the Compassionate Use of Medical  
7           Cannabis Program Act; or

8           (4) a stockholder, officer, manager, agent, or  
9           representative of a corporation engaged in the retail sale  
10          of cannabis, an Early Applicant Adult Use Dispensing  
11          Organization License, an Adult Use Dispensing Organization  
12          License, or a medical cannabis dispensing organization  
13          license issued under the Compassionate Use of Medical  
14          Cannabis Program Act.

15          (j) A transporting organization agent must keep his or her  
16          identification card visible at all times when on the property  
17          of a cannabis business establishment and during the  
18          transporting of cannabis when acting under his or her duties  
19          as a transportation organization agent. During these times,  
20          the transporting organization agent must also provide the  
21          identification card upon request of any law enforcement  
22          officer engaged in his or her official duties.

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

26          (l) Cannabis shall be transported so it is not visible or



1 recognizable from outside the vehicle.

2 (m) A vehicle transporting cannabis must not bear any  
3 markings to indicate the vehicle contains cannabis or bear the  
4 name or logo of the cannabis business establishment.

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

7 (o) The Department of Agriculture may, by rule, impose any  
8 other requirements or prohibitions on the transportation of  
9 cannabis.

10 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;  
11 102-98, eff. 7-15-21; 102-538, eff. 8-20-21; 102-813, eff.  
12 5-13-22.)

13 (410 ILCS 705/55-20)

14 Sec. 55-20. Advertising and promotions.

15 (a) No cannabis business establishment nor any other  
16 person or entity shall engage in advertising that contains any  
17 statement or illustration that:

18 (1) is false or misleading;

19 (2) promotes overconsumption of cannabis or cannabis  
20 products;

21 (3) depicts the actual consumption of cannabis or  
22 cannabis products;

23 (4) depicts a person under 21 years of age consuming  
24 cannabis;

25 (5) makes any health, medicinal, or therapeutic claims

1 about cannabis or cannabis-infused products;

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

3 (7) includes any image designed or likely to appeal to  
4 minors, including cartoons, toys, animals, or children, or  
5 any other likeness to images, characters, or phrases that  
6 is designed in any manner to be appealing to or encourage  
7 consumption by persons under 21 years of age; ~~or-~~

8 (8) includes a description of, or reference to, a  
9 cannabis product as "craft" unless the cannabis product or  
10 the raw material used to create the cannabis product is  
11 produced by a craft grower licensed under this Act.

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

16 (1) within 1,000 feet of the perimeter of school  
17 grounds, a playground, a recreation center or facility, a  
18 child care center, a public park or public library, or a  
19 game arcade to which admission is not restricted to  
20 persons 21 years of age or older;

21 (2) on or in a public transit vehicle or public  
22 transit shelter;

23 (3) on or in publicly owned or publicly operated  
24 property; or

25 (4) that contains information that:

26 (A) is false or misleading;

1 (B) promotes excessive consumption;

2 (C) depicts a person under 21 years of age  
3 consuming cannabis;

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

5 (E) includes any image designed or likely to  
6 appeal to minors, including cartoons, toys, animals,  
7 or children, or any other likeness to images,  
8 characters, or phrases that are popularly used to  
9 advertise to children, or any imitation of candy  
10 packaging or labeling, or that promotes consumption of  
11 cannabis.

12 (c) Subsections (a) and (b) do not apply to an educational  
13 message.

14 (d) Sales promotions. No cannabis business establishment  
15 nor any other person or entity may encourage the sale of  
16 cannabis or cannabis products by giving away cannabis or  
17 cannabis products, by conducting games or competitions related  
18 to the consumption of cannabis or cannabis products, or by  
19 providing promotional materials or activities of a manner or  
20 type that would be appealing to children.

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

22 (410 ILCS 705/60-10)

23 Sec. 60-10. Tax imposed.

24 (a) Beginning September 1, 2019, a tax is imposed upon the  
25 privilege of cultivating cannabis at the rate of 7% of the

1 gross receipts from the first sale of cannabis by a  
2 cultivator. The sale of any product that contains any amount  
3 of cannabis or any derivative thereof is subject to the tax  
4 under this Section on the full selling price of the product.  
5 The Department may determine the selling price of the cannabis  
6 when the seller and purchaser are affiliated persons, when the  
7 sale and purchase of cannabis is not an arm's length  
8 transaction, or when cannabis is transferred by a craft grower  
9 to the craft grower's dispensing organization or infuser or  
10 processing organization and a value is not established for the  
11 cannabis. The value determined by the Department shall be  
12 commensurate with the actual price received for products of  
13 like quality, character, and use in the area. If there are no  
14 sales of cannabis of like quality, character, and use in the  
15 same area, then the Department shall establish a reasonable  
16 value based on sales of products of like quality, character,  
17 and use in other areas of the State, taking into consideration  
18 any other relevant factors.

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

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

5           (d) The Cannabis Cultivation Privilege Tax imposed under  
6 this Article shall not be assessed against or collected from  
7 any craft grower awarded a license during the first group of  
8 licenses issued by the Department of Agriculture under Section  
9 30-5 until 2 years after the date the craft grower was awarded  
10 the license.

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