



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB1500

Introduced 1/31/2023, by Rep. La Shawn K. Ford

SYNOPSIS AS INTRODUCED:

See Index

Amends the Compassionate Use of Medical Cannabis Program Act. Provides that the Department of Agriculture shall follow specified requirements of the Cannabis Regulation and Tax Act regarding the administration of cultivation center agent identification cards, and the Department of Financial and Professional Regulation shall follow specified requirements of that Act regarding the administration of dispensing organization agent identification cards. Repeals provisions regarding cultivation center agent identification cards. Amends the Cannabis Regulation and Tax Act. Provides that the Department of Agriculture (rather than the Department of Financial and Professional Regulation) shall issue dispensing organization licenses and agent identification cards. Requires the Department of Agriculture to issue agent identification cards under the Act via an online application portal. Contains provisions requiring, except as otherwise provided, background checks through the Illinois State Police for agent identification cards. Allows a person seeking employment at a cannabis business establishment to pay for or otherwise obtain for himself or herself, without any assistance from a cannabis business establishment, any required background check, responsible vendor training, or agent identification card required under the Act. Provides that any agent identification card that is paid for or otherwise obtained by the agent belongs to him or her and may be used by him or her as an agent identification card for a cannabis business establishment other than that for which the agent identification card was issued. Prohibits cannabis business establishments from entering into a non-compete agreement with a potential or current employee as a condition of the cannabis business establishment employing that employee. Contains other provisions. Repeals provisions regarding Department of Public Health health warnings, the Department of Human Services, the Illinois Cannabis Regulation Oversight Officer, and other provisions. Effective immediately.

LRB103 05064 CPF 50078 b

A BILL FOR

1 AN ACT concerning health.

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

4 Section 5. Findings. The General Assembly finds that:

5 (1) The process of acquiring a license or
6 identification card under the Cannabis Regulation and Tax
7 Act offers a confusing framework that requires an
8 applicant to undergo a criminal history record check for
9 prospective principal officers, board members, and agents
10 by submitting the applicant's fingerprints to the Illinois
11 State Police as prescribed by the relevant department.
12 This process is controlled by the Illinois Department of
13 Financial and Professional Regulation and the Illinois
14 Department of Agriculture. The former offers licenses via
15 a manual licensing platform, while the latter offers an
16 online electronic application platform.

17 (2) This scenario has since led to exorbitant expense
18 for licensees seeking to recruit agents who conform to the
19 background requirements.

20 (3) As such, the current licensing criteria are
21 cumbersome, leading to a narrowing of the pool of
22 candidates for selection. Further, trained candidates are
23 inevitably denied entry into the industry subject to
24 strict background checks and inconsistent criminal records

1 requirements, which are not provided for in the
2 pre-badging criteria.

3 (4) The current illegal framework is discriminatory
4 and violates the spirit of the Fourteenth Amendment of the
5 United States Constitution. It fails to offer an
6 equitable, procedurally fair, and just process for Black
7 and Brown applicants who are seeking to take up agent
8 roles in dispensing organizations, cultivation centers,
9 transporting organizations, and infuser organizations.

10 Section 10. The Compassionate Use of Medical Cannabis
11 Program Act is amended by adding Section 103 as follows:

12 (410 ILCS 130/103 new)

13 Sec. 103. Cultivation center agent identification cards;
14 dispensing organization agent identification cards.

15 (a) The Department of Agriculture shall follow the
16 requirements set forth in Section 20-35 of the Cannabis
17 Regulation and Tax Act regarding the administration of
18 cultivation center agent identification cards under this Act.

19 (b) The Department of Financial and Professional
20 Regulation shall follow the requirements set forth in Section
21 15-40 of the Cannabis Regulation and Tax Act regarding the
22 administration of dispensing organization agent identification
23 cards under this Act.

1 Section 15. The Cannabis Regulation and Tax Act is amended
2 by changing Sections 5-10, 15-5, and 15-25 and by adding
3 Sections 5-22 and 5-23 as follows:

4 (410 ILCS 705/5-10)

5 Sec. 5-10. Department of Agriculture. The Department of
6 Agriculture shall administer and enforce provisions of this
7 Act relating to the oversight and registration of dispensing
8 organizations, cultivation centers, craft growers, infuser
9 organizations, and transporting organizations and agents,
10 including the issuance of identification cards and
11 establishing limits on potency or serving size for cannabis or
12 cannabis products. The Department of Agriculture may suspend
13 or revoke the license of, or impose other penalties upon
14 dispensing organizations, cultivation centers, craft growers,
15 infuser organizations, transporting organizations, and their
16 principal officers, Agents-in-Charge, and agents for
17 violations of this Act and any rules adopted under this Act.

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

19 (410 ILCS 705/5-22 new)

20 Sec. 5-22. Licensing and identification cards.

21 (a) The Department of Agriculture shall issue dispensing
22 organization agent identification cards, cultivation center
23 agent identification cards, craft grower agent identification
24 cards, and infuser organization agent identification cards

1 under this Act via an online application portal.

2 (b) A State agency that issues a license under this Act
3 shall offer pre-badging approval process guidelines to
4 candidates for the license, pending the completion of the
5 background checks in accordance with Section 5-23.

6 (c) A State agency that issues a license under this Act
7 shall offer an expedited licensing process upon payment of a
8 required licensing fee.

9 (d) Notwithstanding any other provision of law, and in
10 accordance with subsection (b) of Section 5-23, a person
11 seeking employment at a cannabis business establishment may
12 pay for or otherwise obtain for himself or herself, without
13 any assistance from a cannabis business establishment, any
14 required background check, responsible vendor training, or
15 agent identification card required under this Act. Any agent
16 identification card that is paid for or otherwise obtained by
17 the agent belongs to him or her and may be used by him or her
18 as an agent identification card for a cannabis business
19 establishment other than that for which the agent
20 identification card was issued. However, if a licensed
21 cannabis business establishment pays for an employee's agent
22 identification card, the cannabis business establishment may
23 retain and control access to the agent identification card.

24 (e) Notwithstanding any other provision of law, a cannabis
25 business establishment may not enter into a non-compete
26 agreement with a potential or current employee as a condition

1 of the cannabis business establishment employing that
2 employee.

3 (410 ILCS 705/5-23 new)

4 Sec. 5-23. Background checks.

5 (a) Except as provided under subsection (b), the
6 Department of Agriculture, through the Illinois State Police,
7 regarding dispensing organizations, cultivation centers,
8 infuser organization, and craft growers, shall carry out
9 initial background checks for all prospective principal
10 officers, board members, and agents of a cannabis business
11 establishment prior to licensing, including the issuance of
12 identification cards.

13 (b) Notwithstanding any other provision of law, and in
14 accordance with subsection (d) of Section 5-22, a person
15 seeking employment at a cannabis business establishment may
16 pay for or otherwise obtain any required background check as a
17 condition of receiving a required dispensing organization
18 agent identification card, cultivation center agent
19 identification card, craft grower agent identification card,
20 or infuser organization agent identification card from the
21 Department of Agriculture.

22 (c) The Illinois State Police shall charge a prescribed
23 fee for an expedited criminal history record check, which
24 shall be deposited into the State Police Services Fund and
25 shall not exceed the actual cost of the State and national

1 criminal history record check.

2 (d) The Department of Agriculture shall provide
3 information on background check requirements on the online
4 application portal for the consideration of applicants prior
5 to the commencement of the application's processing. For the
6 purposes of this subsection, the Illinois State Police shall
7 flag as unqualified an applicant with a criminal conviction of
8 murder, sexual harassment, child molestation, rape, or robbery
9 with violence.

10 (e) The Department of Agriculture shall ensure a fair and
11 just background check, including an exemption from strict
12 background check requirements for applicants with no prior
13 felony records.

14 (f) The Department of Agriculture shall review background
15 check requirements to eliminate all discriminatory criteria
16 that may inevitably deny certain citizens access to the
17 application for licensing and agent identification cards.

18 (g) The Department of Agriculture shall provide a process
19 for appeal of an application denial based on erroneous or
20 discriminatory background consideration.

21 (h) All applicants for licensure under this Act with
22 criminal convictions shall be subject to the provisions of
23 Sections 2105-131, 2105-135, and 2105-205 of the Department of
24 Professional Regulation Law of the Civil Administrative Code
25 of Illinois subject to any controlling exemption.

1 (410 ILCS 705/15-5)

2 Sec. 15-5. Authority.

3 (a) In this Article, "Department" means the Department of
4 Agriculture ~~Financial and Professional Regulation~~.

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

9 (c) No person shall operate a dispensing organization for
10 the purpose of serving purchasers of cannabis or cannabis
11 products without a license issued under this Article by the
12 Department. No person shall be an officer, director, manager,
13 or employee of a dispensing organization without having been
14 issued a dispensing organization agent card by the Department.

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

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

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

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

25 (4) Conduct hearings on proceedings to refuse to issue
26 or renew licenses or to revoke, suspend, place on

1 probation, reprimand, or otherwise discipline a license
2 under this Article or take other nondisciplinary action.

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

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

6 (410 ILCS 705/15-25)

7 Sec. 15-25. Awarding of Conditional Adult Use Dispensing
8 Organization Licenses prior to January 1, 2021.

9 (a) The Department shall issue up to 75 Conditional Adult
10 Use Dispensing Organization Licenses before May 1, 2020.

11 (b) The Department shall make the application for a
12 Conditional Adult Use Dispensing Organization License
13 available no later than October 1, 2019 and shall accept
14 applications no later than January 1, 2020.

15 (c) To ensure the geographic dispersion of Conditional
16 Adult Use Dispensing Organization License holders, the
17 following number of licenses shall be awarded in each BLS
18 Region as determined by each region's percentage of the
19 State's population:

20 (1) Bloomington: 1

21 (2) Cape Girardeau: 1

22 (3) Carbondale-Marion: 1

23 (4) Champaign-Urbana: 1

24 (5) Chicago-Naperville-Elgin: 47

25 (6) Danville: 1

- 1 (7) Davenport-Moline-Rock Island: 1
- 2 (8) Decatur: 1
- 3 (9) Kankakee: 1
- 4 (10) Peoria: 3
- 5 (11) Rockford: 2
- 6 (12) St. Louis: 4
- 7 (13) Springfield: 1
- 8 (14) Northwest Illinois nonmetropolitan: 3
- 9 (15) West Central Illinois nonmetropolitan: 3
- 10 (16) East Central Illinois nonmetropolitan: 2
- 11 (17) South Illinois nonmetropolitan: 2

12 (d) An applicant seeking issuance of a Conditional Adult
13 Use Dispensing Organization License shall submit an
14 application on forms provided by the Department. An applicant
15 must meet the following requirements:

16 (1) Payment of a nonrefundable application fee of
17 \$5,000 for each license for which the applicant is
18 applying, which shall be deposited into the Cannabis
19 Regulation Fund;

20 (2) Certification that the applicant will comply with
21 the requirements contained in this Act;

22 (3) The legal name of the proposed dispensing
23 organization;

24 (4) A statement that the dispensing organization
25 agrees to respond to the Department's supplemental
26 requests for information;

1 (5) From each principal officer, a statement
2 indicating whether that person:

3 (A) has previously held or currently holds an
4 ownership interest in a cannabis business
5 establishment in Illinois; or

6 (B) has held an ownership interest in a dispensing
7 organization or its equivalent in another state or
8 territory of the United States that had the dispensing
9 organization registration or license suspended,
10 revoked, placed on probationary status, or subjected
11 to other disciplinary action;

12 (6) Disclosure of whether any principal officer has
13 ever filed for bankruptcy or defaulted on spousal support
14 or child support obligation;

15 (7) A resume for each principal officer, including
16 whether that person has an academic degree, certification,
17 or relevant experience with a cannabis business
18 establishment or in a related industry;

19 (8) A description of the training and education that
20 will be provided to dispensing organization agents;

21 (9) A copy of the proposed operating bylaws;

22 (10) A copy of the proposed business plan that
23 complies with the requirements in this Act, including, at
24 a minimum, the following:

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

26 (B) A description of the process of dispensing

1 cannabis;

2 (11) A copy of the proposed security plan that
3 complies with the requirements in this Article, including:

4 (A) The process or controls that will be
5 implemented to monitor the dispensary, secure the
6 premises, agents, and currency, and prevent the
7 diversion, theft, or loss of cannabis; and

8 (B) The process to ensure that access to the
9 restricted access areas is restricted to, registered
10 agents, service professionals, transporting
11 organization agents, Department inspectors, and
12 security personnel;

13 (12) A proposed inventory control plan that complies
14 with this Section;

15 (13) A proposed floor plan, a square footage estimate,
16 and a description of proposed security devices, including,
17 without limitation, cameras, motion detectors, servers,
18 video storage capabilities, and alarm service providers;

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

23 (15) Evidence of the applicant's status as a Social
24 Equity Applicant, if applicable, and whether a Social
25 Equity Applicant plans to apply for a loan or grant issued
26 by the Department of Commerce and Economic Opportunity;

1 (16) The address, telephone number, and email address
2 of the applicant's principal place of business, if
3 applicable. A post office box is not permitted;

4 (17) Written summaries of any information regarding
5 instances in which a business or not-for-profit that a
6 prospective board member previously managed or served on
7 were fined or censured, or any instances in which a
8 business or not-for-profit that a prospective board member
9 previously managed or served on had its registration
10 suspended or revoked in any administrative or judicial
11 proceeding;

12 (18) A plan for community engagement;

13 (19) Procedures to ensure accurate recordkeeping and
14 security measures that are in accordance with this Article
15 and Department rules;

16 (20) The estimated volume of cannabis it plans to
17 store at the dispensary;

18 (21) A description of the features that will provide
19 accessibility to purchasers as required by the Americans
20 with Disabilities Act;

21 (22) A detailed description of air treatment systems
22 that will be installed to reduce odors;

23 (23) A reasonable assurance that the issuance of a
24 license will not have a detrimental impact on the
25 community in which the applicant wishes to locate;

26 (24) The dated signature of each principal officer;

1 (25) A description of the enclosed, locked facility
2 where cannabis will be stored by the dispensing
3 organization;

4 (26) Signed statements from each dispensing
5 organization agent stating that he or she will not divert
6 cannabis;

7 (27) The number of licenses it is applying for in each
8 BLS Region;

9 (28) A diversity plan that includes a narrative of at
10 least 2,500 words that establishes a goal of diversity in
11 ownership, management, employment, and contracting to
12 ensure that diverse participants and groups are afforded
13 equality of opportunity;

14 (29) A contract with a private security contractor
15 agency that is licensed under Section 10-5 of the Private
16 Detective, Private Alarm, Private Security, Fingerprint
17 Vendor, and Locksmith Act of 2004 in order for the
18 dispensary to have adequate security at its facility; and

19 (30) Other information deemed necessary by the
20 Illinois Cannabis Regulation Oversight Officer to conduct
21 the disparity and availability study referenced in
22 subsection (e) of Section 5-45.

23 (e) (Blank). ~~An applicant who receives a Conditional Adult~~
24 ~~Use Dispensing Organization License under this Section has 180~~
25 ~~days from the date of award to identify a physical location for~~
26 ~~the dispensing organization retail storefront. The applicant~~

1 ~~shall provide evidence that the location is not within 1,500~~
2 ~~feet of an existing dispensing organization, unless the~~
3 ~~applicant is a Social Equity Applicant or Social Equity~~
4 ~~Justice Involved Applicant located or seeking to locate within~~
5 ~~1,500 feet of a dispensing organization licensed under Section~~
6 ~~15 15 or Section 15 20. If an applicant is unable to find a~~
7 ~~suitable physical address in the opinion of the Department~~
8 ~~within 180 days of the issuance of the Conditional Adult Use~~
9 ~~Dispensing Organization License, the Department may extend the~~
10 ~~period for finding a physical address another 180 days if the~~
11 ~~Conditional Adult Use Dispensing Organization License holder~~
12 ~~demonstrates concrete attempts to secure a location and a~~
13 ~~hardship. If the Department denies the extension or the~~
14 ~~Conditional Adult Use Dispensing Organization License holder~~
15 ~~is unable to find a location or become operational within 360~~
16 ~~days of being awarded a conditional license, the Department~~
17 ~~shall rescind the conditional license and award it to the next~~
18 ~~highest scoring applicant in the BLS Region for which the~~
19 ~~license was assigned, provided the applicant receiving the~~
20 ~~license: (i) confirms a continued interest in operating a~~
21 ~~dispensing organization; (ii) can provide evidence that the~~
22 ~~applicant continues to meet all requirements for holding a~~
23 ~~Conditional Adult Use Dispensing Organization License set~~
24 ~~forth in this Act; and (iii) has not otherwise become~~
25 ~~ineligible to be awarded a dispensing organization license. If~~
26 ~~the new awardee is unable to accept the Conditional Adult Use~~

1 ~~Dispensing Organization License, the Department shall award~~
2 ~~the Conditional Adult Use Dispensing Organization License to~~
3 ~~the next highest scoring applicant in the same manner. The new~~
4 ~~awardee shall be subject to the same required deadlines as~~
5 ~~provided in this subsection.~~

6 (e-5) (Blank). ~~If, within 180 days of being awarded a~~
7 ~~Conditional Adult Use Dispensing Organization License, a~~
8 ~~dispensing organization is unable to find a location within~~
9 ~~the BLS Region in which it was awarded a Conditional Adult Use~~
10 ~~Dispensing Organization License because no jurisdiction within~~
11 ~~the BLS Region allows for the operation of an Adult Use~~
12 ~~Dispensing Organization, the Department of Financial and~~
13 ~~Professional Regulation may authorize the Conditional Adult~~
14 ~~Use Dispensing Organization License holder to transfer its~~
15 ~~license to a BLS Region specified by the Department.~~

16 (e-10) The Department shall verify that the physical
17 location of an applicant's dispensing organization retail
18 storefront is suitable for public access, its layout promotes
19 the safe dispensing of cannabis, and its location is
20 sufficient in size, power allocation, lighting, parking,
21 handicapped accessible parking spaces, accessible entry and
22 exits as required by the federal Americans with Disabilities
23 Act of 1990, product handling, and storage. The applicant
24 shall also provide a statement of reasonable assurance that
25 the issuance of a license will not have a detrimental impact on
26 the community. The applicant shall also provide evidence that

1 the location is not within 1,500 feet of an existing
2 dispensing organization.

3 (e-15) A Conditional Adult Use Dispensing Organization may
4 transfer or sell its Conditional Adult Use Dispensing
5 Organization License with prior Department approval. The
6 approval may be withheld if the person or entity to whom the
7 license is being transferred does not commit to the same or a
8 similar community engagement plan provided as part of the
9 Conditional Adult Use Dispensing Organization's application
10 under paragraph (18) of subsection (d), and such transferee's
11 license shall be conditional upon that commitment. A request
12 to transfer or sell the Conditional Adult Use Dispensing
13 Organization License must be on application forms provided by
14 the Department. A request for approval to sell a dispensing
15 organization must comply with the following:

16 (1) New application materials shall comply with this
17 Act and any rules adopted under this Act.

18 (2) Application materials shall include a change of
19 ownership fee of \$5,000, to be deposited into the Cannabis
20 Regulation Fund.

21 (3) The application materials shall provide proof that
22 the transfer of ownership will not have the effect of
23 granting any owner or principal officer direct or indirect
24 ownership or control of more than 10 Adult Use Adult Use
25 Dispensing Organization Licenses or Conditional Adult Use
26 Dispensing Organization Licenses.

1 (4) Each proposed new principal officer shall complete
2 the proposed new principal officer application.

3 (5) If the Department approves the application
4 materials and proposed new principal officer applications,
5 it will perform an inspection before approving the sale
6 and issuing the new Adult Use Dispensing Organization
7 License or Conditional Adult Use Dispensing Organization
8 License.

9 (6) If the sale of the Adult Use Dispensing
10 Organization License or Conditional Adult Use Dispensing
11 Organization License is approved, the Department shall
12 issue a new license number and certificate to the new
13 dispensing organization. The transfer of a dispensing
14 organization's license to a Social Equity Applicant is
15 subject to all other provisions of this Act, relevant
16 provisions of the Compassionate Use of Medical Cannabis
17 Program Act, and administrative rules regarding the
18 transfer of licenses.

19 (e-20) If a Qualified Social Equity Applicant seeks to
20 transfer, sell, or grant a cannabis business establishment
21 license within 5 years after it was issued to a person or
22 entity who does not qualify as a Social Equity Applicant, the
23 transfer agreement shall require the new license holder to
24 transfer into the Cannabis Business Development Fund an amount
25 equal to:

26 (1) any fees that were waived by any State agency

1 based upon the applicant's status as a Social Equity
2 Applicant, if applicable;

3 (2) any outstanding amount owed by the Qualified
4 Social Equity Applicant on a loan through the Cannabis
5 Business Development Fund, if applicable; and

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

9 (f) A dispensing organization that is awarded a
10 Conditional Adult Use Dispensing Organization License pursuant
11 to the criteria in Section 15-30 shall not purchase, possess,
12 sell, or dispense cannabis or cannabis-infused products until
13 the person has received an Adult Use Dispensing Organization
14 License issued by the Department pursuant to Section 15-36 of
15 this Act.

16 (g) The Department shall conduct a background check of the
17 prospective organization agents in order to carry out this
18 Article. The Illinois State Police shall charge the applicant
19 a fee for conducting the criminal history record check, which
20 shall be deposited into the State Police Services Fund and
21 shall not exceed the actual cost of the record check. Each
22 person applying as a dispensing organization agent shall
23 submit a full set of fingerprints to the Illinois State Police
24 for the purpose of obtaining a State and federal criminal
25 records check. These fingerprints shall be checked against the
26 fingerprint records now and hereafter, to the extent allowed

1 by law, filed in the Illinois State Police and Federal Bureau
2 of Identification criminal history records databases. The
3 Illinois State Police shall furnish, following positive
4 identification, all Illinois conviction information to the
5 Department.

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

9 (410 ILCS 130/100 rep.)

10 Section 20. The Compassionate Use of Medical Cannabis
11 Program Act is amended by repealing Section 100.

12 (410 ILCS 705/5-15 rep.)

13 (410 ILCS 705/5-25 rep.)

14 (410 ILCS 705/5-30 rep.)

15 (410 ILCS 705/5-45 rep.)

16 Section 25. The Cannabis Regulation and Tax Act is amended
17 by repealing Sections 5-15, 5-25, 5-30, and 5-45.

18 Section 99. Effective date. This Act takes effect upon
19 becoming law.

1 INDEX

2 Statutes amended in order of appearance

3 410 ILCS 130/103 new

4 410 ILCS 705/5-10

5 410 ILCS 705/5-22 new

6 410 ILCS 705/5-23 new

7 410 ILCS 705/15-5

8 410 ILCS 705/15-25

9 410 ILCS 130/100 rep.

10 410 ILCS 705/5-15 rep.

11 410 ILCS 705/5-25 rep.

12 410 ILCS 705/5-30 rep.

13 410 ILCS 705/5-45 rep.