

## Sen. Kimberly A. Lightford

## Filed: 5/26/2024

## 10300HB2911sam004

LRB103 26014 RJT 74237 a

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 2911, AS AMENDED,

AMENDMENT TO HOUSE BILL 2911

by replacing everything after the enacting clause with the

4 following:

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5 "Section 5. The Department of Professional Regulation Law

of the Civil Administrative Code of Illinois is amended by

7 changing Section 2105-117 as follows:

8 (20 ILCS 2105/2105-117)

9 Sec. 2105-117. Confidentiality. All information collected

10 by the Department in the course of an examination or

11 investigation of a licensee, registrant, or applicant,

12 including, but not limited to, any complaint against a

13 licensee or registrant filed with the Department and

information collected to investigate any such complaint, shall

be maintained for the confidential use of the Department and

shall not be disclosed. The Department may not disclose the

- 1 information to anyone other than law enforcement officials, other regulatory agencies that have an appropriate regulatory 2 3 interest as determined by the Director, the Office of 4 Executive Inspector General, or a party presenting a lawful 5 Department. Information and documents subpoena to the 6 a federal, State, county, or disclosed to local enforcement agency, including the Executive Inspector General, 7 8 shall not be disclosed by the agency for any purpose to any 9 other agency or person, except as necessary to those involved 10 in enforcing the State Officials and Employees Ethics Act. A 11 formal complaint filed against a licensee or registrant by the Department or any order issued by the Department against a 12
- 15 (Source: P.A. 99-227, eff. 8-3-15.)

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Section 10. The Retailers' Occupation Tax Act is amended by changing Section 11 as follows:

licensee, registrant, or applicant shall be a public record,

18 (35 ILCS 120/11) (from Ch. 120, par. 450)

except as otherwise prohibited by law.

Sec. 11. All information received by the Department from returns filed under this Act, or from any investigation conducted under this Act, shall be confidential, except for official purposes, and any person, including a third party as defined in the Local Government Revenue Recapture Act, who divulges any such information in any manner, except in

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1 accordance with a proper judicial order or as otherwise

provided by law, including the Local Government Revenue

Recapture Act, shall be guilty of a Class B misdemeanor with a

fine not to exceed \$7,500.

Nothing in this Act prevents the Director of Revenue from publishing or making available to the public the names and addresses of persons filing returns under this Act, or reasonable statistics concerning the operation of the tax by grouping the contents of returns so the information in any individual return is not disclosed.

Nothing in this Act prevents the Director of Revenue from divulging to the United States Government or the government of any other state, or any officer or agency thereof, for exclusively official purposes, information received by the Department in administering this Act, provided that such other governmental agency agrees to divulge requested tax information to the Department.

The Department's furnishing of information derived from a taxpayer's return or from an investigation conducted under this Act to the surety on a taxpayer's bond that has been furnished to the Department under this Act, either to provide notice to such surety of its potential liability under the bond or, in order to support the Department's demand for payment from such surety under the bond, is an official purpose within the meaning of this Section.

The furnishing upon request of information obtained by the

- 1 Department from returns filed under this Act or investigations
- 2 conducted under this Act to the Illinois Liquor Control
- 3 Commission for official use is deemed to be an official
- 4 purpose within the meaning of this Section.
- 5 Notice to a surety of potential liability shall not be
- 6 given unless the taxpayer has first been notified, not less
- 7 than 10 days prior thereto, of the Department's intent to so
- 8 notify the surety.
- 9 The furnishing upon request of the Auditor General, or his
- 10 authorized agents, for official use, of returns filed and
- 11 information related thereto under this Act is deemed to be an
- official purpose within the meaning of this Section.
- Where an appeal or a protest has been filed on behalf of a
- 14 taxpayer, the furnishing upon request of the attorney for the
- 15 taxpayer of returns filed by the taxpayer and information
- 16 related thereto under this Act is deemed to be an official
- 17 purpose within the meaning of this Section.
- The furnishing of financial information to a municipality
- 19 or county, upon request of the chief executive officer
- thereof, is an official purpose within the meaning of this
- 21 Section, provided the municipality or county agrees in writing
- 22 to the requirements of this Section. Information provided to
- 23 municipalities and counties under this paragraph shall be
- 24 limited to: (1) the business name; (2) the business address;
- 25 (3) the standard classification number assigned to the
- 26 business; (4) net revenue distributed to the requesting

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municipality or county that is directly related to requesting municipality's or county's local share of proceeds under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act distributed from the Local Government Tax Fund, and, if applicable, any locally imposed retailers' occupation tax or service occupation tax; and (5) a listing of all businesses within the requesting municipality or county by account identification number and address. On and after July 1, 2015, the furnishing of financial information to municipalities and counties under this paragraph may be by electronic means. If Department may furnish financial information to municipality or county under this paragraph, then the chief executive officer of the municipality or county may, in turn, provide that financial information to a third party pursuant to the Local Government Revenue Recapture Act. However, the third party shall agree in writing to the requirements of this Section and meet the requirements of the Local Government Revenue Recapture Act.

Information so provided shall be subject to all confidentiality provisions of this Section. The written agreement shall provide for reciprocity, limitations on access, disclosure, and procedures for requesting information. For the purposes of furnishing financial information to a municipality or county under this Section, "chief executive officer" means the mayor of a city, the village board

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president of a village, the mayor or president of an incorporated town, the county executive of a county that has adopted the county executive form of government, the president of the board of commissioners of Cook County, or the chairperson of the county board or board of county commissioners of any other county.

The Department may make available to the Board of Trustees of any Metro East Mass Transit District information contained on transaction reporting returns required to be filed under Section 3 of this Act that report sales made within the boundary of the taxing authority of that Metro East Mass Transit District, as provided in Section 5.01 of the Local Mass Transit District Act. The disclosure shall be made pursuant to a written agreement between the Department and the Board of Trustees of a Metro East Mass Transit District, which is an official purpose within the meaning of this Section. The written agreement between the Department and the Board of Trustees of a Metro East Mass Transit District shall provide for reciprocity, limitations on access, disclosure, procedures for requesting information. Information so provided shall be subject to all confidentiality provisions of this Section.

The Director may make available to any State agency, including the Illinois Supreme Court, which licenses persons to engage in any occupation, information that a person licensed by such agency has failed to file returns under this

1 Act or pay the tax, penalty and interest shown therein, or has failed to pay any final assessment of tax, penalty or interest 2 3 due under this Act. The Director may make available to any 4 agency, including the Illinois Supreme 5 information regarding whether a bidder, contractor, or an affiliate of a bidder or contractor has failed to collect and 6 remit Illinois Use tax on sales into Illinois, or any tax under 7 8 this Act or pay the tax, penalty, and interest shown therein, 9 or has failed to pay any final assessment of tax, penalty, or 10 interest due under this Act, for the limited purpose of enforcing bidder and contractor certifications. The Director 11 may make available to units of local government and school 12 13 districts that require bidder and contractor certifications, as set forth in Sections 50-11 and 50-12 of the Illinois 14 15 Procurement Code, information regarding whether a bidder, 16 contractor, or an affiliate of a bidder or contractor has failed to collect and remit Illinois Use tax on sales into 17 Illinois, file returns under this Act, or pay the tax, 18 penalty, and interest shown therein, or has failed to pay any 19 20 final assessment of tax, penalty, or interest due under this 2.1 Act, for the limited purpose of enforcing bidder and 22 contractor certifications. For purposes of this Section, the 23 "affiliate" means any entity that (1) directly, 24 indirectly, or constructively controls another entity, (2) is 25 directly, indirectly, or constructively controlled by another 26 entity, or (3) is subject to the control of a common entity.

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For purposes of this Section, an entity controls another entity if it owns, directly or individually, more than 10% of the voting securities of that entity. As used in this Section, the term "voting security" means a security that (1) confers upon the holder the right to vote for the election of members of the board of directors or similar governing body of the business or (2) is convertible into, or entitles the holder to receive upon its exercise, a security that confers such a right to vote. A general partnership interest is a voting security.

The Director may make available to any State agency, including the Illinois Supreme Court, units of local government, and school districts, information regarding whether a bidder or contractor is an affiliate of a person who is not collecting and remitting Illinois Use taxes for the limited purpose of enforcing bidder and contractor certifications.

The Director may also make available to the Secretary of State information that a limited liability company, which has filed articles of organization with the Secretary of State, or corporation which has been issued a certificate of incorporation by the Secretary of State has failed to file returns under this Act or pay the tax, penalty and interest shown therein, or has failed to pay any final assessment of tax, penalty or interest due under this Act. An assessment is final when all proceedings in court for review of such

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1 assessment have terminated or the time for the taking thereof has expired without such proceedings being instituted. 2

It is an official purpose within the meaning of this Section for the Department to publicly report the aggregate amount of tax revenues from a given tax return type that the Department allocates from a State fund or State trust fund to each unit of local government, such as the amount of the monthly allocation to each unit of local government of Municipal Cannabis Retailers' Occupation Tax, County Cannabis Retailers' Occupation Tax, or Business District Retailers' Occupation Tax, notwithstanding that some units of local government may have as few as one retailer reporting revenues for a given tax return type in any given reporting period.

The Director shall make available for public inspection in the Department's principal office and for publication, at cost, administrative decisions issued on or after January 1, 1995. These decisions are to be made available in a manner so that the following taxpayer information is not disclosed:

- (1) The names, addresses, and identification numbers of the taxpayer, related entities, and employees.
- (2) At the sole discretion of the Director, trade secrets or other confidential information identified as such by the taxpayer, no later than 30 days after receipt of an administrative decision, by such means as the Department shall provide by rule.
- 26 The Director shall determine the appropriate extent of the

- 1 deletions allowed in paragraph (2). In the event the taxpayer
- does not submit deletions, the Director shall make only the 2
- 3 deletions specified in paragraph (1).
- 4 The Director shall make available for public inspection
- 5 and publication an administrative decision within 180 days
- after the issuance of the administrative decision. The term 6
- "administrative decision" has the same meaning as defined in 7
- Section 3-101 of Article III of the Code of Civil Procedure. 8
- 9 Costs collected under this Section shall be paid into the Tax
- 10 Compliance and Administration Fund.
- 11 Nothing contained in this Act shall prevent the Director
- from divulging information to any person pursuant to a request 12
- 13 or authorization made by the taxpayer or by an authorized
- 14 representative of the taxpayer.
- 15 The furnishing of information obtained by the Department
- 16 from returns filed under Public Act 101-10 to the Department
- of Transportation for purposes of compliance with Public Act 17
- 101-10 regarding aviation fuel is deemed to be an official 18
- 19 purpose within the meaning of this Section.
- 20 The Director may make information available to
- 2.1 Secretary of State for the purpose of administering Section
- 5-901 of the Illinois Vehicle Code. 22
- (Source: P.A. 101-10, eff. 6-5-19; 101-628, eff. 6-1-20; 23
- 102-558, eff. 8-20-21; 102-941, eff. 7-1-22.) 24
- 25 Section 15. The Compassionate Use of Medical Cannabis

- Program Act is amended by changing Sections 10, 25, 30, 35, 57, 1
- 70, 85, 100, 105, 115, 115.5, 120, 130, 145, 150, 165, and 210 2
- 3 as follows:

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- 4 (410 ILCS 130/10)
- Sec. 10. Definitions. The following terms, as used in this 5
- Act, shall have the meanings set forth in this Section: 6
  - (a) "Adequate medical supply" means:
- 8 (1) 2.5 ounces of usable cannabis during a period of 9 14 days and that is derived solely from an intrastate 10 source.
  - (2) Subject to the rules of the Department of Public Health, 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 medical 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 Department of Public Health.
  - (4) The pre-mixed weight of medical cannabis used in making a cannabis infused product shall apply toward the

- 1 limit on the total amount of medical cannabis a registered
- qualifying patient may possess at any one time. 2
- 3 (a-5) "Advanced practice registered nurse" means a person
- 4 who is licensed under the Nurse Practice Act as an advanced
- 5 practice registered nurse and has a controlled substances
- 6 license under Article III of the Illinois Controlled
- 7 Substances Act.
- (b) "Cannabis" has the meaning given that term in Section 8
- 9 3 of the Cannabis Control Act.
- (c) "Cannabis plant monitoring system" means a system that 10
- 11 includes, but is not limited to, testing and data collection
- established and maintained by the registered cultivation 12
- 13 center and available to the Department for the purposes of
- 14 documenting each cannabis plant and for monitoring plant
- 15 development throughout the life cycle of a cannabis plant
- 16 cultivated for the intended use by a qualifying patient from
- 17 seed planting to final packaging.
- (d) "Cardholder" means a qualifying patient, provisional 18
- patient, or a designated caregiver who has been issued and 19
- 20 possesses a valid registry identification card by the
- 2.1 Department of Public Health.
- "Certifying health care professional" means 22
- 23 physician, an advanced practice registered nurse,
- 24 physician assistant.
- 25 (e) "Cultivation center" means a facility operated by an
- 26 organization or business that is registered by the Department

- 1 of Agriculture to perform necessary activities to provide only
- registered medical cannabis dispensing organizations with 2
- usable medical cannabis. 3
- (f) "Cultivation center agent" means a principal officer, 4
- 5 board member, employee, or agent of a registered cultivation
- center who is 21 years of age or older and has not been 6
- 7 convicted of an excluded offense.
- (g) "Cultivation center agent identification card" means a 8
- 9 document issued by the Department of Agriculture that
- 10 identifies a person as a cultivation center agent.
- 11 (h) "Debilitating medical condition" means one or more of
- the following: 12
- 13 (1) cancer, glaucoma, positive status for human
- 14 immunodeficiency virus, acquired immune deficiency
- 15 syndrome, hepatitis C, amyotrophic lateral sclerosis,
- 16 Crohn's disease (including, but not limited to, ulcerative
- of 17 colitis), agitation Alzheimer's disease,
- 18 cachexia/wasting syndrome, muscular dystrophy, severe
- 19 fibromyalgia, spinal cord disease, including but not
- 20 limited to arachnoiditis, Tarlov cysts, hydromyelia,
- syringomyelia, Rheumatoid arthritis, fibrous dysplasia, 2.1
- cord injury, traumatic brain injury 22 spinal
- 23 post-concussion syndrome, Multiple Sclerosis,
- 24 Arnold-Chiari malformation and Syringomyelia,
- 25 Spinocerebellar Ataxia (SCA), Parkinson's, Tourette's,
- 26 Myoclonus, Dystonia, Reflex Sympathetic Dystrophy, RSD

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(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 epilepsy), post-traumatic stress characteristic of 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 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; and (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

1 of cannabis.

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- (j) "Dispensing organization agent identification card" means a document issued by the Department of Financial and Professional Regulation that identifies a person as a medical cannabis dispensing organization agent.
  - (k) "Enclosed, locked facility" means a room, greenhouse, building, or other enclosed area equipped with locks or other security devices that permit access only by a cultivation center's agents or a dispensing organization's agent working for the registered cultivation center or the registered dispensing organization to cultivate, store, and distribute cannabis for registered qualifying patients.
  - (1) (Blank). "Excluded offense" for cultivation center agents and dispensing organizations means:
    - (1) a violent crime defined in Section 3 of the Rights of Crime Victims and Witnesses Act or a substantially similar offense that was classified as a felony in the jurisdiction where the person was convicted; or
    - (2) a violation of a state or federal controlled substance law, the Cannabis Control Act, or the Methamphetamine Control and Community Protection Act that was classified as a felony in the jurisdiction where the person was convicted, except that the registering Department may waive this restriction if the person demonstrates to the registering Department's satisfaction that his or her conviction was for the possession,

1 cultivation, transfer, or delivery of a reasonable amount of cannabis intended for medical use. This exception does 2 3 not apply if the conviction was under state law and 4 involved a violation of an existing medical cannabis law. 5 For purposes of this subsection, the Department of Public Health shall determine by emergency rule within 30 days after 6 the effective date of this amendatory Act of the 99th General 7 8 Assembly what constitutes a "reasonable amount".

(1-5) (Blank).

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- web-based system established and maintained by the Department of Public Health 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.
- 23 (m) "Medical cannabis cultivation center registration"
  24 means a registration issued by the Department of Agriculture.
  - (n) "Medical cannabis container" means a sealed, traceable, food compliant, tamper resistant, tamper evident

- 1 container, or package used for the purpose of containment of
- medical cannabis from a cultivation center to a dispensing 2
- 3 organization.
- 4 (0) "Medical cannabis dispensing organization",
- 5 "dispensing organization", or "dispensary organization" means
- a facility operated by an organization or business that is 6
- registered by the Department of Financial and Professional 7
- 8 Regulation to acquire medical cannabis from a registered
- cultivation center for the purpose of dispensing cannabis, 9
- 10 paraphernalia, or related supplies and educational materials
- 11 registered qualifying patients, individuals with
- provisional registration for qualifying patient cardholder 12
- 13 status, or an Opioid Alternative Pilot Program participant.
- (p) "Medical cannabis dispensing organization agent" or 14
- 15 "dispensing organization agent" means a principal officer,
- 16 board member, employee, or agent of a registered medical
- cannabis dispensing organization who is 21 years of age or 17
- older and has not been convicted of an excluded offense. 18
- (q) "Medical cannabis infused product" means food, oils, 19
- 20 ointments, or other products containing usable cannabis that
- are not smoked. 2.1
- 22 (r) "Medical use" means the acquisition; administration;
- 23 delivery; possession; transfer; transportation; or use of
- 24 cannabis to treat or alleviate a registered qualifying
- 25 patient's debilitating medical condition or symptoms
- 26 associated with the patient's debilitating medical condition.

- 1 (r-5) "Opioid" means a narcotic drug or substance that is
- a Schedule II controlled substance under paragraph (1), (2), 2
- (3), or (5) of subsection (b) or under subsection (c) of 3
- 4 Section 206 of the Illinois Controlled Substances Act.
- 5 (r-10) "Opioid Alternative Pilot Program participant"
- means an individual who has received a valid written 6
- certification to participate in the Opioid Alternative Pilot 7
- 8 Program for a medical condition for which an opioid has been or
- 9 could be prescribed by a certifying health care professional
- 10 based on generally accepted standards of care.
- 11 (s) "Physician" means a doctor of medicine or doctor of
- osteopathy licensed under the Medical Practice Act of 1987 to 12
- 13 practice medicine and who has a controlled substances license
- under Article III of the Illinois Controlled Substances Act. 14
- 15 It does not include a licensed practitioner under any other
- 16 Act including but not limited to the Illinois Dental Practice
- 17 Act.
- (s-1) "Physician assistant" means a physician assistant 18
- licensed under the Physician Assistant Practice Act of 1987 19
- 20 and who has a controlled substances license under Article III
- of the Illinois Controlled Substances Act. 2.1
- (s-5) "Provisional registration" means a document issued 22
- 23 by the Department of Public Health to a qualifying patient who
- 24 has submitted: (1) an online application and paid a fee to
- 25 participate in Compassionate Use of Medical Cannabis Program
- 26 pending approval or denial of the patient's application; or

- 1 (2) a completed application for terminal illness.
- (s-10) "Provisional patient" means a qualifying patient 2
- who has received a provisional registration from 3 the
- 4 Department of Public Health.
- 5 (t) "Qualifying patient" means a person who has been
- diagnosed by a certifying health care professional as having a 6
- debilitating medical condition. 7
- (u) "Registered" means licensed, permitted, or otherwise 8
- 9 certified by the Department of Agriculture, Department of
- 10 Public Health, or Department of Financial and Professional
- 11 Regulation.
- (v) "Registry identification card" means a document issued 12
- 13 by the Department of Public Health that identifies a person as
- a registered qualifying patient, provisional patient, or 14
- 15 registered designated caregiver.
- 16 (w) "Usable cannabis" means the seeds, leaves, buds, and
- flowers of the cannabis plant and any mixture or preparation 17
- thereof, but does not include the stalks, and roots of the 18
- plant. It does not include the weight of any non-cannabis 19
- 20 ingredients combined with cannabis, such as ingredients added
- 2.1 to prepare a topical administration, food, or drink.
- 22 "Verification system" means a Web-based
- 23 established and maintained by the Department of Public Health
- 24 that is available to the Department of Agriculture, the
- 25 Department of Financial and Professional Regulation,
- 26 enforcement personnel, and registered medical cannabis

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- 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 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

- 1 has an ongoing responsibility for the assessment, care, and
- treatment of a patient's debilitating medical condition or a 2
- 3 symptom of the patient's debilitating medical condition.
- 4 A veteran who has received treatment at a VA hospital
- 5 shall deemed to have a bona fide health be
- professional-patient relationship with a VA certifying health 6
- care professional if the patient has been seen for his or her 7
- debilitating medical condition at the VA Hospital 8
- 9 accordance with VA Hospital protocols.
- 10 A bona fide health care professional-patient relationship
- 11 under this subsection is a privileged communication within the
- meaning of Section 8-802 of the Code of Civil Procedure. 12
- 13 (Source: P.A. 100-1114, eff. 8-28-18; 101-363, eff. 8-9-19.)
- 14 (410 ILCS 130/25)
- 15 Sec. 25. Immunities and presumptions related to the
- 16 medical use of cannabis.
- (a) A registered qualifying patient is not subject to 17
- arrest, prosecution, or denial of any right or privilege, 18
- 19 including, but not limited to, civil penalty or disciplinary
- 20 action by an occupational or professional licensing board, for
- 21 the medical use of cannabis in accordance with this Act, if the
- 22 registered qualifying patient possesses an amount of cannabis
- 23 that does not exceed an adequate medical supply as defined in
- 24 subsection (a) of Section 10 of this Act of usable cannabis
- 25 and, where the registered qualifying patient is a licensed

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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 Act to assist a registered qualifying patient to whom he or she is connected through the Department's registration process with the medical use of cannabis if the designated caregiver possesses an amount of cannabis that does not exceed an adequate medical supply as defined in subsection (a) of Section 10 of this Act 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 administering or assisting a relating to student self-administering a medical cannabis infused product. total amount possessed between the qualifying patient and caregiver shall not exceed the patient's adequate medical supply as defined in subsection (a) of Section 10 of this Act.
- (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 1
- is incidental to medical use, but is not usable cannabis as 2
- defined in this Act. 3
- 4 (d) (1) There is a rebuttable presumption that a registered
- 5 qualifying patient is engaged in, or a designated caregiver is
- assisting with, the medical use of cannabis in accordance with 6
- this Act if the qualifying patient or designated caregiver: 7
- 8 (A) is in possession of a valid registry
- 9 identification card; and
- 10 (B) is in possession of an amount of cannabis that
- 11 does not exceed the amount allowed under subsection (a) of
- Section 10. 12
- 13 The presumption may be rebutted by evidence that
- conduct related to cannabis was not for the purpose of 14
- 15 treating or alleviating the qualifying patient's debilitating
- 16 medical condition or symptoms associated with the debilitating
- medical condition in compliance with this Act. 17
- (e) A certifying health care professional is not subject 18
- to arrest, prosecution, or penalty in any manner, or denial of 19
- 20 any right or privilege, including, but not limited to, civil
- penalty or disciplinary action by the Medical Disciplinary 2.1
- 22 Board or by any other occupational or professional licensing
- board, solely for providing written certifications or for 23
- 24 otherwise stating that, in the certifying health care
- 25 professional's professional opinion, a patient is likely to
- 26 receive therapeutic or palliative benefit from the medical use

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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 Act; 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 Department of Agriculture, Department of Public Health, or State or local law enforcement under Section 130; seizure; or penalty in any manner, or denial of any right or privilege, including, but

- 1 not limited to, civil penalty or disciplinary action by a
- 2 business licensing board or entity, for acting under this Act
- 3 and Department of Agriculture rules to: acquire, possess,
- 4 cultivate, manufacture, deliver, transfer, transport, supply,
- or sell cannabis to registered dispensing organizations.
- 6 (h) A registered cultivation center agent is not subject
- 7 to prosecution, search, or penalty in any manner, or denial of
- 8 any right or privilege, including, but not limited to, civil
- 9 penalty or disciplinary action by a business licensing board
- 10 or entity, for working or volunteering for a registered
- 11 cannabis cultivation center under this Act and Department of
- 12 Agriculture rules, including to perform the actions listed
- 13 under subsection (q).
- 14 (i) A registered dispensing organization is not subject to
- 15 prosecution; search or inspection, except by the Department of
- 16 Financial and Professional Regulation or State or local law
- 17 enforcement pursuant to Section 130; seizure; or penalty in
- any manner, or denial of any right or privilege, including,
- 19 but not limited to, civil penalty or disciplinary action by a
- 20 business licensing board or entity, for acting under this Act
- 21 and Department of Financial and Professional Regulation rules
- 22 to: acquire, possess, or dispense cannabis, or related
- 23 supplies, and educational materials to registered qualifying
- 24 patients or registered designated caregivers on behalf of
- 25 registered qualifying patients.
- 26 (j) A registered dispensing organization agent is not

- 1 subject to prosecution, search, or penalty in any manner, or
- denial of any right or privilege, including, but not limited 2
- to, civil penalty or disciplinary action by a business 3
- licensing board or entity, for working or volunteering for a 4
- 5 dispensing organization under this Act and Department of
- 6 Financial and Professional Regulation rules, including to
- perform the actions listed under subsection (i). 7
- 8 (k) Any cannabis, cannabis paraphernalia,
- 9 property, or interest in legal property that is possessed,
- 10 owned, or used in connection with the medical use of cannabis
- 11 as allowed under this Act, or acts incidental to that use, may
- not be seized or forfeited. This Act does not prevent the 12
- 13 seizure or forfeiture of cannabis exceeding the amounts
- allowed under this Act, nor shall it prevent seizure or 14
- 15 forfeiture if the basis for the action is unrelated to the
- 16 cannabis that is possessed, manufactured, transferred, or used
- 17 under this Act.
- (1) Mere possession of, or application for, a registry 18
- identification card or registration certificate does not 19
- 20 constitute probable cause or reasonable suspicion, nor shall
- 2.1 it be used as the sole basis to support the search of the
- 22 person, property, or home of the person possessing or applying
- 23 for the registry identification card. The possession of, or
- 24 application for, a registry identification card does not
- 25 preclude the existence of probable cause if probable cause
- 26 exists on other grounds.

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- (m) Nothing in this Act 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 Act 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 Act, when the actions are within the scope of his or her 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

- 1 correctional facility, jail, or municipal lockup facility, on
- parole or mandatory supervised release, or otherwise under the 2
- lawful jurisdiction of the agency or individual. 3
- 4 (Source: P.A. 101-363, eff. 8-19-19; 101-370, eff. 1-1-20;
- 5 102-558, eff. 8-20-21.)
- (410 ILCS 130/30) 6
- 7 Sec. 30. Limitations and penalties.
- 8 (a) This Act does not permit any person to engage in, and
- 9 does not prevent the imposition of any civil, criminal, or
- 10 other penalties for engaging in, the following conduct:
- (1) Undertaking any task under the influence of 11
- 12 cannabis, when doing so would constitute negligence,
- 13 professional malpractice, or professional misconduct;
- 14 (2) Possessing cannabis:
- 15 (A) except as provided under Section 22-33 of the
- 16 School Code, in a school bus;
- (B) except as provided under Section 22-33 of the 17
- 18 School Code, on the grounds of any preschool or
- 19 primary or secondary school;
- 2.0 (C) in any correctional facility;
- (D) in a vehicle under Section 11-502.1 of the 21
- Illinois Vehicle Code; 22
- 23 (E) in a vehicle not open to the public unless the
- 24 medical cannabis is in a reasonably secured, sealed
- container and reasonably inaccessible while the 25

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Ţ	venicle is moving; or
2	(F) in a private residence that is used at any time
3	to provide licensed child care or other similar social
4	service care on the premises;
5	(3) Using cannabis:
6	(A) except as provided under Section 22-33 of the
7	School Code, in a school bus;
8	(B) except as provided under Section 22-33 of the
9	School Code, on the grounds of any preschool or
10	primary or secondary school;
11	(C) in any correctional facility;
12	(D) in any motor vehicle;
13	(E) in a private residence that is used at any time
14	to provide licensed child care or other similar social
15	service care on the premises;
16	(F) except as provided under Section 22-33 of the
17	School Code and Section 31 of this Act, in any public
18	place. "Public place" as used in this subsection means
19	any place where an individual could reasonably be
20	expected to be observed by others. A "public place"
21	includes all parts of buildings owned in whole or in
22	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

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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 31 of this Act, 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 Act to use cannabis that a cardholder is allowed to possess under this Act;
- (8) Transferring cannabis to any person contrary to the provisions of this Act;

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- 1 (9) The use of medical cannabis by an active duty law 2 enforcement officer, correctional officer, correctional 3 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 Act 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 Act.
  - (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, <u>designated</u> or <u>registered</u> caregiver, or <u>provisional patient</u> who sells cannabis shall have his or her

- registry identification card revoked and is subject to other penalties for the unauthorized sale of cannabis.
- 3 (f) Any registered qualifying patient or provisional
  4 patient who commits a violation of Section 11-502.1 of the
  5 Illinois Vehicle Code or refuses a properly requested test
  6 related to operating a motor vehicle while under the influence
  7 of cannabis shall have his or her registry identification card
  8 revoked.
- 9 (g) No registered qualifying patient, provisional patient,
  10 or designated caregiver shall knowingly obtain, seek to
  11 obtain, or possess, individually or collectively, an amount of
  12 usable cannabis from a registered medical cannabis dispensing
  13 organization that would cause him or her to exceed the
  14 authorized adequate medical supply under subsection (a) of
  15 Section 10.
- 16 (h) Nothing in this Act shall prevent a private business
  17 from restricting or prohibiting the medical use of cannabis on
  18 its property.
- (i) Nothing in this Act shall prevent a university,
  college, or other institution of post-secondary education from
  restricting or prohibiting the use of medical cannabis on its
  property.
- 23 (Source: P.A. 101-363, eff. 8-9-19; 102-67, eff. 7-9-21.)
- 24 (410 ILCS 130/35)
- Sec. 35. Certifying health care professional requirements.

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- (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 Act 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 Department of Public Health and the Department of Financial and Professional Regulation upon request.
  - (b) A certifying health care professional may not:
    - (1) accept, solicit, or offer any form of remuneration

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from or to a qualifying patient, <u>provisional patient</u>, 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 or provisional 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;

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(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 Department of Public Health may with reasonable cause refer a certifying health care professional, who has certified a debilitating medical condition of a patient, to the Illinois Department of Financial and Professional Regulation for potential violations of this Section.
- (d) Any violation of this Section or any other provision of this Act or rules adopted under this Act 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

- 1 certifying health care professional has reason to believe either that the registered qualifying patient has ceased to 2 suffer from a debilitating medical condition; (2) that the 3 4 bona fide health care professional-patient relationship has 5 terminated; or (3) that continued use of medical cannabis would result in contraindication with the patient's other 6 medication. The registered qualifying patient's registry 7 identification card shall be revoked by the Department of 8 9 Public Health after receiving the certifying health care 10 professional's notification.
- 11 (f) Nothing in this Act shall preclude a certifying health care professional from referring a patient for 12 13 services, except when the referral is limited to certification 14 purposes only, under this Act.
- 15 (Source: P.A. 101-363, eff. 8-9-19; 102-558, eff. 8-20-21.)
- (410 ILCS 130/57) 16
- 17 Sec. 57. <u>Caregivers for qualifying Qualifying</u> patients <u>and</u> 18 provisional patients.
- 19 (a) Qualifying patients or provisional patients that are under the age of 18 years shall not be prohibited from 20 21 appointing up to 3 designated caregivers who meet the 22 definition of "designated caregiver" under Section 10 so long as at least one designated caregiver is a biological parent or 23 24 legal guardian.
- 25 (b) Qualifying patients or provisional patients that are

- 1 18 years of age or older shall not be prohibited from
- appointing up to 3 designated caregivers who meet the
- 3 definition of "designated caregiver" under Section 10.
- 4 (Source: P.A. 101-363, eff. 8-9-19.)
- 5 (410 ILCS 130/70)
- Sec. 70. Registry identification cards. 6
- 7 registered qualifying patient or designated
- 8 caregiver must keep their registry identification card in his
- 9 or her possession at all times when engaging in the medical use
- 10 of cannabis.
- Registry identification cards shall contain the 11
- 12 following:
- (1) the name of the cardholder; 13
- 14 (2) a designation of whether the cardholder is a
- 15 designated caregiver or qualifying patient;
- (3) the date of issuance and expiration date of the 16
- 17 registry identification card;
- 18 (4) a random alphanumeric identification number that
- 19 is unique to the cardholder;
- (5) if the cardholder is a designated caregiver, the 2.0
- 21 random alphanumeric identification number of the
- 22 registered qualifying patient the designated caregiver is
- 23 receiving the registry identification card to assist; and
- 24 (6) a photograph of the cardholder, if required by
- 25 Department of Public Health rules.

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- (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 Department of Public Health rules. The Department of Public Health 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 Department of Public Health 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 Department of Public Health 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 Department of Public Health 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.
- 26 (Source: P.A. 98-122, eff. 1-1-14; 99-519, eff. 6-30-16.)

1 (410 ILCS 130/85)

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- 2 Sec. 85. Issuance and denial of medical cannabis 3 cultivation permit.
  - (a) The Department of Agriculture may register up to 22 cultivation center registrations for operation. The Department of Agriculture may not issue more than one registration per each Illinois State Police District boundary as specified on the date of January 1, 2013. The Department of Agriculture may not issue less than the 22 registrations if there are qualified applicants who have applied with the Department.
- 11 (b) The registrations shall be issued and renewed annually 12 as determined by administrative rule.
- 13 (c) The Department of Agriculture shall determine a 14 registration fee by rule.
- 15 (d) A cultivation center may only operate if it has been 16 issued a valid registration from the Department of 17 Agriculture. When applying for a cultivation center 18 registration, the applicant shall submit the following in 19 accordance with Department of Agriculture rules:
  - (1) the proposed legal name of the cultivation center;
  - (2) the proposed physical address of the cultivation center and description of the enclosed, locked facility as it applies to cultivation centers where medical cannabis will be grown, harvested, manufactured, packaged, or otherwise prepared for distribution to a dispensing

## 1 organization;

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- (3) the name, address, and date of birth of each principal officer and board member of the cultivation center, provided that all those individuals shall be at least 21 years of age;
- (4) any instance in which a business that any of the prospective board members of the cultivation center had managed or served on the board of the business and was convicted, fined, censured, or had a registration or license suspended or revoked in any administrative or judicial proceeding;
  - (5) cultivation, inventory, and packaging plans;
- (6) proposed operating by-laws that include procedures for the oversight of the cultivation center, development and implementation of a plant monitoring system, medical cannabis container tracking system, accurate record keeping, staffing plan, and security plan reviewed by the Illinois State Police that are in accordance with the rules issued by the Department of Agriculture under this Act. A physical inventory shall be performed of all plants and medical cannabis containers on a weekly basis;
- (7) experience with agricultural cultivation techniques and industry standards;
- (8) any academic degrees, certifications, or relevant experience with related businesses;
  - (9) the identity of every person, association, trust,

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or corporation having any direct or indirect pecuniary interest in the cultivation center operation with respect to which the registration is sought. If the disclosed entity is a trust, the application shall disclose the names and addresses of the beneficiaries; if a corporation, the names and addresses of all stockholders and directors; if a partnership, the names and addresses of all partners, both general and limited;

- (10) verification from the Illinois State Police that all background checks of the principal officer, board members, and registered agents have been conducted and those individuals have not been convicted of an excluded offense;
- (11) provide a copy of the current local zoning ordinance to the Department of Agriculture and verify that proposed cultivation center is in compliance with the local zoning rules issued in accordance with Section 140;
- (12) an application fee set by the Department of Agriculture by rule; and
- (13) any other information required by Department of Agriculture rules, including, but not limited to a cultivation center applicant's experience with the cultivation of agricultural or horticultural products, operating an agriculturally related business, or operating a horticultural business.
- (e) An application for a cultivation center permit must be

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denied	if	anv	of	the	foll	owing	conditions	are	met:

- (1) the applicant failed to submit the materials required by this Section, including if the applicant's plans do not satisfy the security, oversight, inventory, or recordkeeping rules issued by the Department of Agriculture;
- (2) the applicant would not be in compliance with local zoning rules issued in accordance with Section 140;
- (3) (blank) one or more of the prospective principal officers or board members has been convicted of an excluded offense;
- (4) one or more of the prospective principal officers or board members has served as a principal officer or board member for a registered dispensing organization or cultivation center that has had its registration revoked;
- (5) one or more of the principal officers or board members is under 21 years of age;
- (6) (blank) a principal officer or board member of the cultivation center has been convicted of a felony under the laws of this State, any other state, or the United States;
- (7) (blank) a principal officer or board member of the cultivation center has been convicted of any violation of Article 28 of the Criminal Code of 2012, or substantially similar laws of any other jurisdiction; or
  - (8) the person has submitted an application for a

- 1 certificate under this Act which contains false
- 2 information.

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- 3 (Source: P.A. 102-538, eff. 8-20-21.)
- 4 (410 ILCS 130/100)
- 5 Sec. 100. Cultivation center agent identification card.
- 6 (a) The Department of Agriculture shall:
  - (1) verify the information contained in an application or renewal for a cultivation center identification card submitted under this Act, and approve or deny an application or renewal, within 30 days of receiving a completed application or renewal application and all supporting documentation required by rule;
    - (2) issue a cultivation center agent identification card to a qualifying agent within 15 business days of approving the application or renewal;
    - (3) enter the registry identification number of the cultivation center where the agent works; and
    - (4) allow for an electronic application process, and provide a confirmation by electronic or other methods that an application has been submitted.
  - (b) A cultivation center agent must keep his or her identification card visible at all times when on the property of a cultivation center and during the transportation of medical cannabis to a registered dispensary organization.
  - (c) The cultivation center agent identification cards

- 1 shall contain the following:
- (1) the name of the cardholder; 2
- 3 (2) the date of issuance and expiration date of 4 cultivation center agent identification cards;
- 5 (3) a random 10-digit alphanumeric identification number containing at least 4 numbers and at least 4 6 letters that is unique to the holder; and 7
  - (4) a photograph of the cardholder.
- 9 The cultivation center agent identification cards 10 shall be immediately returned to the cultivation center upon 11 termination of employment.
- (e) Any card lost by a cultivation center agent shall be 12 13 reported to the Illinois State Police and the Department of 14 Agriculture immediately upon discovery of the loss.
- 15 (f) (Blank). An applicant shall be denied a cultivation 16 center agent identification card if he or she has 17 convicted of an excluded offense.
- 18 An agent applicant may begin employment at 19 cultivation center while the agent applicant's identification 20 card application is pending. Upon approval, the Department shall issue the agent's identification card to the agent. If 2.1 22 denied, the cultivation center and the agent applicant shall 23 be notified and the agent applicant must cease all activity at 24 the cultivation center immediately.
- 25 (Source: P.A. 102-98, eff. 7-15-21; 102-538, eff. 8-20-21;
- 102-813, eff. 5-13-22.) 26

(410 ILCS 130/105) 1

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- 105. Requirements; prohibitions; penalties 3 cultivation centers.
  - (a) The operating documents of a registered cultivation center shall include procedures for the oversight of the cultivation center, a cannabis plant monitoring system including a physical inventory recorded weekly, a cannabis container system including a physical inventory recorded weekly, accurate record keeping, and a staffing plan.
  - (b) A registered cultivation center shall implement a security plan reviewed by the Illinois State Police and including but 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 registered cultivation center facility and accessible to authorized law enforcement and the Department of Agriculture in real-time.
    - (c) A registered cultivation center may not be located within 2,500 feet of the property line of a pre-existing public or private preschool or elementary or secondary school or day care center, day care home, group day care home, part day child care facility, or an area zoned for residential use.
    - (d) All cultivation of cannabis for distribution to a registered dispensing organization must take place in an enclosed, locked facility as it applies to cultivation centers

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- 1 at the physical address provided to the Department of Agriculture during the registration process. The cultivation 2 center location shall only be accessed by the cultivation 3 4 center agents working for the registered cultivation center, 5 Department of Agriculture staff performing inspections, 6 Department of Public Health staff performing inspections, law enforcement or other emergency personnel, and contractors 7 working on jobs unrelated to medical cannabis, such as 8 9 installing or maintaining security devices or performing 10 electrical wiring.
  - (e) A cultivation center may not sell or distribute any cannabis to any individual or entity other than another cultivation center, a dispensing organization registered under this Act, or a laboratory licensed by the Department of Agriculture.
    - (f) All harvested cannabis intended for distribution to a dispensing organization must be packaged in a labeled medical cannabis container and entered into a data collection system.
- 19 (g) (Blank). No person who has been convicted of an excluded offense may be a cultivation center agent.
- 21 (h) Registered cultivation centers are subject to random 22 inspection by the Illinois State Police.
- 23 (i) Registered cultivation centers are subject to random 24 inspections by the Department of Agriculture and the 25 Department of Public Health.
- 26 (j) A cultivation center agent shall notify local law

- 1 enforcement, the Illinois State Police, and the Department of
- 2 Agriculture within 24 hours of the discovery of any loss or
- theft. Notification shall be made by phone or in-person, or by 3
- 4 written or electronic communication.
- 5 (k) A cultivation center shall comply with all State and
- 6 federal rules and regulations regarding the use of pesticides.
- (Source: P.A. 101-363, eff. 8-9-19; 102-538, eff. 8-20-21.) 7
- 8 (410 ILCS 130/115)

dispensing organization.

- 9 Sec. 115. Registration of dispensing organizations.
- 10 The Department of Financial and Professional (a) Regulation may issue up to 60 dispensing 11 organization 12 registrations for operation. The Department of Financial and Professional Regulation may not issue less than the 60 13 14 registrations if there are qualified applicants who have 15 applied with the Department of Financial and Professional organizations 16 Regulation. The shall be geographically dispersed throughout the State to allow all registered 17 qualifying patients reasonable proximity and access to a 18
- Department of Financial and 20 (a-5)The Professional 21 Regulation may shall adopt rules to create a registration 22 process for Social Equity Justice Involved Applicants and 23 Qualifying Applicants, a streamlined application, and a Social 24 Equity Justice Involved Medical Lottery under Section 115.5 to issue the remaining available 5 dispensing organization 25

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1	registrations	for	operation.	For	purposes	of	this	Section:
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"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 sale, possession, use, cultivation, manufacture, or transport of cannabis.
- "Qualifying Applicant" means an applicant that: (i)

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submitted an application pursuant to Section 15-30 of the Cannabis Regulation and Tax Act that received at least 85% of 250 application points available under Section 15-30 of the Cannabis Regulation and Tax Act as the applicant's final score; (ii) received points at the conclusion of the scoring process for meeting the definition of a "Social Equity Applicant" as set forth under the Cannabis Regulation and Tax Act; and (iii) is an applicant that did not receive a Conditional Adult Use Dispensing Organization License through a Qualifying Applicant Lottery pursuant to Section 15-35 of the Cannabis Regulation and Tax Act or any Tied Applicant Lottery conducted under the Cannabis Regulation and Tax Act.

"Social Equity Justice Involved Applicant" means applicant that is an Illinois resident and one of following:

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

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1	(b) A dispensing organization may only operate if it ha
2	been issued a registration from the Department of Financia
3	and Professional Regulation. The Department of Financial and
4	Professional Regulation shall adopt rules establishing the

- procedures for applicants for dispensing organizations.
- 6 (c) When applying for a dispensing organization 7 registration, the applicant shall submit, at a minimum, the 8 following in accordance with Department of Financial and 9 Professional Regulation rules:
- 10 (1) a non-refundable application fee established by
  11 rule:
- 12 (2) the proposed legal name of the dispensing organization;
- 14 (3) the proposed physical address of the dispensing organization;
  - (4) the name, address, and date of birth of each principal officer and board member of the dispensing organization, provided that all those individuals shall be at least 21 years of age;
  - (5) (blank);
- 21 (6) (blank); and
- 22 (7) (blank).
- 23 (d) The Department of Financial and Professional
  24 Regulation shall conduct a background check of the prospective
  25 dispensing organization agents in order to carry out this
  26 Section. The Department of State Police shall charge a fee for

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1 conducting the criminal history record check, which shall be deposited in the State Police Services Fund and shall not 2 exceed the actual cost of the record check. Each person 3 4 applying as a dispensing organization agent shall submit a 5 full set of fingerprints to the Department of State Police for the purpose of obtaining a State and federal criminal records 6 These fingerprints shall be checked against the 7 8 fingerprint records now and hereafter, to the extent allowed 9 by law, filed in the Department of State Police and Federal 10 Bureau of Investigation criminal history records databases. 11 The Department of State Police shall furnish, following positive identification, all Illinois conviction information 12 13 to the Department of Financial and Professional Regulation.

- (e) A dispensing organization must pay a registration fee set by the Department of Financial and Professional Regulation.
- (f) An application for a medical cannabis dispensing organization registration must be denied if any of the following conditions are met:
  - (1) the applicant failed to submit the materials required by this Section, including if the applicant's plans do not satisfy the security, oversight, recordkeeping rules issued by the Department of Financial and Professional Regulation;
  - (2) the applicant would not be in compliance with local zoning rules issued in accordance with Section 140;

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1	(3)	the	applicant	does	not	meet	the	requirements	of
2	Section	130:							

## (4) (blank) one or more of the prospective principal officers or board members has been convicted of an excluded offense;

- (5) one or more of the prospective principal officers or board members has served as a principal officer or board member for a registered medical cannabis dispensing organization that has had its registration revoked; and
- 10 (6) one or more of the principal officers or board
  11 members is under 21 years of age.
- 12 (Source: P.A. 101-363, eff. 8-9-19; 102-98, eff. 7-15-21.)
- 13 (410 ILCS 130/115.5)
- 14 Sec. 115.5. Social Equity Justice Involved Medical Lottery.
- 16 (a) In this Section:
- "By lot" has the same meaning as defined in Section 1-10 of the Cannabis Regulation and Tax Act.
- "Qualifying Applicant" has the same meaning as defined in subsection (a-5) of Section 115.
- "Social Equity Justice Involved Applicant" has the same meaning as defined in subsection (a-5) of Section 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
- 2 are either: (i) Social Equity Justice Involved Applicants; or
- 3 (ii) Qualifying Applicants.
- 4 (b) The Department of Financial and Professional
- 5 Regulation may shall conduct a Social Equity Justice Involved
- 6 Medical Lottery to award up to 5 medical cannabis dispensing
- 7 organization registrations by lot in accordance with Section
- 8 115.
- 9 (c) The Department of Financial and Professional
- 10 Regulation shall adopt rules through emergency rulemaking in
- 11 accordance with subsection (kk) of Section 5-45 of the
- 12 Illinois Administrative Procedure Act to create a registration
- process, a streamlined application, an application fee not to
- 14 exceed \$5,000 for purposes of this Section, and limits on the
- 15 number of entries into the Social Equity Justice Involved
- 16 Medical Lottery, as well as any other measures to reduce
- barriers to enter the cannabis industry. The General Assembly
- 18 finds that the adoption of rules to regulate cannabis use is
- 19 deemed an emergency and necessary for the public interest,
- 20 safety, and welfare.
- 21 (d) Social Equity Justice Involved Applicants awarded a
- 22 registration under subsection (a-5) of Section 115 are
- 23 eligible to serve purchasers at the same site and a secondary
- 24 site under the Cannabis Regulation and Tax Act, subject to
- 25 application and inspection processes established by the
- Department. The licenses issued under this Section shall be

- 1 valid for 2 years after the date of issuance and shall renew in
- the manner proscribed by the Department. 2
- 3 (e) No applicant may be awarded more than one medical
- 4 cannabis dispensing organization registration at the
- 5 conclusion of the lottery conducted under this Section.
- (f) No individual may be listed as a principal officer of 6
- more than one medical cannabis dispensing organization 7
- 8 registration awarded under this Section.
- 9 (Source: P.A. 102-98, eff. 7-15-21.)
- 10 (410 ILCS 130/120)
- Sec. 120. Dispensing organization agent identification 11
- card. 12
- 13 (a) The Department of Financial and Professional
- 14 Regulation shall:
- 15 (1) verify the information contained in an application
- 16 or for а dispensing organization
- 17 identification card submitted under this Act, and approve
- or deny an application or renewal, within 30 days of 18
- 19 receiving a completed application or renewal application
- 2.0 and all supporting documentation required by rule;
- 21 (2) issue а dispensing organization
- 22 identification card to a qualifying agent within 15
- 23 business days of approving the application or renewal;
- 24 (3) enter the registry identification number of the
- 25 dispensing organization where the agent works; and

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1	(4) allow for an electronic application process, and
2	provide a confirmation by electronic or other methods that
3	an application has been submitted.

- (b) A dispensing agent must keep his or her identification card visible at all times when on the property of a dispensing organization.
- (c) The dispensing organization agent identification cards shall contain the following:
  - (1) the name of the cardholder;
- 10 (2) the date of issuance and expiration date of the 11 dispensing organization agent identification cards;
- 12 (3) a random 10 digit alphanumeric identification 13 number containing at least 4 numbers and at least 4 14 letters; that is unique to the holder; and
- 15 (4) a photograph of the cardholder.
- 16 (d) The dispensing organization agent identification cards
  17 shall be immediately returned to the dispensing organization
  18 upon termination of employment.
  - (e) Any card lost by a dispensing organization agent shall be reported to the Illinois State Police and the Department of Financial and Professional Regulation immediately upon discovery of the loss.
- 23 (f) (Blank). An applicant shall be denied a dispensing
  24 organization agent identification card if he or she has been
  25 convicted of an excluded offense.
- 26 (Source: P.A. 98-122, eff. 1-1-14; 98-1172, eff. 1-12-15.)

- 1 (410 ILCS 130/130)
- 2 Sec. 130. Requirements; prohibitions; penalties;
- 3 dispensing organizations.
- 4 (a) The Department of Financial and Professional
- 5 Regulation shall implement the provisions of this Section by
- 6 rule.
- 7 (b) A dispensing organization shall maintain operating
- 8 documents which shall include procedures for the oversight of
- 9 the registered dispensing organization and procedures to
- 10 ensure accurate recordkeeping.
- 11 (c) A dispensing organization shall implement appropriate
- security measures, as provided by rule, to deter and prevent
- 13 the theft of cannabis and unauthorized entrance into areas
- 14 containing cannabis.
- 15 (d) A dispensing organization may not be located within
- 16 1,000 feet of the property line of a pre-existing public or
- 17 private preschool or elementary or secondary school or day
- 18 care center, day care home, group day care home, or part day
- 19 child care facility. A registered dispensing organization may
- 20 not be located in a house, apartment, condominium, or an area
- 21 zoned for residential use. This subsection shall not apply to
- 22 any dispensing organizations registered on or after July 1,
- 23 2019.
- 24 (e) A dispensing organization is prohibited from acquiring
- 25 cannabis from anyone other than a cultivation center, craft

- 1 grower, processing organization, another dispensing
- 2 organization, or transporting organization licensed or
- 3 registered under this Act or the Cannabis Regulation and Tax
- 4 Act. A dispensing organization is prohibited from obtaining
- 5 cannabis from outside the State of Illinois.
- 6 (f) A registered dispensing organization is prohibited
- 7 from dispensing cannabis for any purpose except to assist
- 8 registered qualifying patients with the medical use of
- 9 cannabis directly or through the qualifying patients'
- 10 designated caregivers.
- 11 (g) The area in a dispensing organization where medical
- 12 cannabis is stored can only be accessed by dispensing
- organization agents working for the dispensing organization,
- 14 Department of Financial and Professional Regulation staff
- performing inspections, law enforcement or other emergency
- 16 personnel, and contractors working on jobs unrelated to
- 17 medical cannabis, such as installing or maintaining security
- devices or performing electrical wiring.
- 19 (h) A dispensing organization may not dispense more than
- 20 2.5 ounces of cannabis to a registered qualifying patient,
- 21 directly or via a designated caregiver, in any 14-day period
- 22 unless the qualifying patient has a Department of Public
- 23 Health-approved quantity waiver. Any Department of Public
- Health-approved quantity waiver process must be made available
- 25 to qualified veterans.
- 26 (i) Except as provided in subsection (i-5), before medical

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- cannabis may be dispensed to a designated caregiver or a registered qualifying patient, a dispensing organization agent must determine that the individual is a current cardholder in
- 4 the verification system and must verify each of the following:
- 5 (1) that the registry identification card presented to 6 the registered dispensing organization is valid;
  - (2) that the person presenting the card is the person identified on the registry identification card presented to the dispensing organization agent;
    - (3) (blank); and
- 11 (4) that the registered qualifying patient has not 12 exceeded his or her adequate supply.
  - (i-5) A dispensing organization may dispense medical cannabis to an Opioid Alternative Pilot Program participant under Section 62 and to a person presenting proof of provisional registration under Section 55. Before dispensing medical cannabis, the dispensing organization shall comply with the requirements of Section 62 or Section 55, whichever is applicable, and verify the following:
  - (1) that the written certification presented to the registered dispensing organization is valid and an original document;
  - (2) that the person presenting the written certification is the person identified on the written certification; and
    - (3) that the participant has not exceeded his or her

1 adequate supply.

- (j) Dispensing organizations shall ensure compliance with this limitation by maintaining internal, confidential records that include records specifying how much medical cannabis is dispensed to the registered qualifying patient and whether it was dispensed directly to the registered qualifying patient or to the designated caregiver. Each entry must include the date and time the cannabis was dispensed. Additional recordkeeping requirements may be set by rule.
  - (k) The health care professional-patient privilege as set forth by Section 8-802 of the Code of Civil Procedure shall apply between a qualifying patient and a registered dispensing organization and its agents with respect to communications and records concerning qualifying patients' debilitating conditions.
  - (1) A dispensing organization may not permit any person to consume cannabis on the property of a medical cannabis organization.
- (m) A dispensing organization may not share office space with or refer patients to a certifying health care professional.
- 22 (n) Notwithstanding any other criminal penalties related 23 to the unlawful possession of cannabis, the Department of 24 Financial and Professional Regulation may revoke, suspend, 25 place on probation, reprimand, refuse to issue or renew, or 26 take any other disciplinary or non-disciplinary action as the

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- Department of Financial and Professional Regulation may deem proper with regard to the registration of any person issued under this Act to operate a dispensing organization or act as a dispensing organization agent, including imposing fines not to exceed \$10,000 for each violation, for any violations of this Act and rules adopted in accordance with this Act. disciplining procedures for а registered dispensing organization shall be determined by rule. All administrative decisions of the Department of Financial and Professional Regulation are subject to judicial review under the Administrative Review Law and its rules. The term "administrative decision" is defined as in Section 3-101 of the Code of Civil Procedure.
  - (o) Dispensing organizations are subject to random inspection and cannabis testing by the Department of Financial and Professional Regulation, the Illinois State Police, the Department of Revenue, the Department of Public Health, the Department of Agriculture, or as provided by rule.
  - (p) The Department of Financial and Professional Regulation shall adopt rules permitting returns, and potential refunds, for damaged or inadequate products.
  - (q) The Department of Financial and Professional Regulation may issue nondisciplinary citations for minor violations which may be accompanied by a civil penalty not to exceed \$10,000 per violation. The penalty shall be a civil penalty or other condition as established by rule. The

- 1 citation shall be issued to the licensee and shall contain the
- licensee's name, address, and license number, a brief factual 2
- statement, the Sections of the law or rule allegedly violated, 3
- 4 and the civil penalty, if any, imposed. The citation must
- 5 clearly state that the licensee may choose, in lieu of
- accepting the citation, to request a hearing. If the licensee 6
- does not dispute the matter in the citation with the 7
- 8 Department of Financial and Professional Regulation within 30
- 9 days after the citation is served, then the citation shall
- 10 become final and shall not be subject to appeal.
- (Source: P.A. 101-363, eff. 8-9-19; 102-98, eff. 7-15-21.) 11
- 12 (410 ILCS 130/145)
- 13 Sec. 145. Confidentiality.
- 14 (a) The following information received and records kept by
- 15 the Department of Public Health, Department of Financial and
- Professional Regulation, Department of Agriculture, <u>Department</u> 16
- of Commerce and Economic Opportunity, Office of Executive 17
- 18 Inspector General, or Illinois State Police for purposes of
- 19 administering this Act are subject to all applicable federal
- privacy laws, confidential, and exempt from the Freedom of 20
- Information Act, and not subject to disclosure to 21
- 22 individual or public or private entity, except as necessary
- 23 for authorized employees of those authorized agencies to
- 24 perform official duties under this Act and except as necessary
- to those involved in enforcing the State Officials and 25

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- Employees Ethics Act, and the following information received and records kept by Department of Public Health, Department of Agriculture, Department of Commerce and Economic Opportunity, Department of Financial and Professional Regulation, Office of Executive Inspector General, and Illinois State Police, 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, provisional 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 Act, 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 135, Section 150, or Department of Public Health, Department of Agriculture, or Department of Financial and Professional Regulation rules shall identify

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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 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, or Public Health 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 his or her supervisor and both agree that circumstances exist that warrant reporting, Department of Public Health 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 Act;

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- 1 (B) issued a written certification to a person who
  2 was not under the certifying health care
  3 professional's care for the debilitating medical
  4 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 may notify State or local law enforcement about apparent criminal violations of this Act if the employee who suspects the offense has conferred with his or her 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 of a suspected violation or attempted violation of this Act or the rules issued under it.
  - (5) Each Department may verify registry identification cards under Section 150.
  - (6) The submission of the report to the General Assembly under Section 160.
  - (b-5) Each Department responsible for licensure under this Act shall publish on the Department's website a list of the

- 1 ownership information of cannabis business establishment
- 2 licensees under the Department's jurisdiction. The list shall
- include, but shall not be limited to, the name of the person or 3
- 4 entity holding each cannabis business establishment license
- 5 and the address at which the entity is operating under this
- 6 Act. This list shall be published and updated monthly.
- (c) Except for any ownership information released pursuant 7
- 8 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 9
- 10 person, including an employee or official of the Department of
- 11 Public Health, Department of Financial and Professional
- Regulation, or Department of Agriculture or another State 12
- 13 agency or local government, to breach the confidentiality of
- information obtained under this Act. 14
- 15 (d) The Department of Public Health, the Department of
- 16 Agriculture, the Illinois State Police, and the Department of
- Financial and Professional Regulation shall not share or 17
- 18 disclose any existing or non-existing Illinois or national
- criminal history record information. For the purposes of this 19
- 20 Section, "any existing or non-existing Illinois or national
- criminal history record information" means any Illinois or 2.1
- national criminal history record information, including but 22
- not limited to the lack of or non-existence of these records. 23
- 24 (Source: P.A. 101-363, eff. 8-9-19; 102-98, eff. 7-15-21;
- 25 102-538, eff. 8-20-21; 102-813, eff. 5-13-22.)

1 (410 ILCS 130/150)

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- 2 Sec. 150. Registry identification and registration 3 certificate verification.
  - (a) The Department of Public Health shall maintain a confidential list of the persons to whom the Department of Public Health has issued registry identification cards and their addresses, phone numbers, and registry identification numbers. This confidential list may not be combined or linked in any manner with any other list or database except as provided in this Section.
  - (b) Within 180 days of the effective date of this Act, the Department of Public Health, Department of Financial and Professional Regulation, and Department of Agriculture shall together establish a computerized database or verification system. The database or verification system must allow law personnel and medical cannabis enforcement dispensary organization agents to determine whether or not identification number corresponds with a current, valid registry identification card. The system shall only disclose whether the whether the identification card is valid, cardholder is a registered qualifying patient, provisional patient, or a registered designated caregiver, the registry identification number of the registered medical cannabis dispensing organization designated to serve the registered qualifying patient who holds the card, and the registry identification number of the patient who is assisted by a

- 1 registered designated caregiver who holds the card. 2 Department of Public Health, the Department of Agriculture, the Illinois State Police, and the Department of Financial and 3 4 Professional Regulation shall not share or disclose any 5 existing or non-existing Illinois or national criminal history 6 record information. Notwithstanding any other requirements established by this subsection, the Department of Public 7 8 Health shall issue registry cards to qualifying patients, the 9 Department of Financial and Professional Regulation may issue 10 registration to medical cannabis dispensing organizations for 11 the period during which the database is being established, and the Department of Agriculture may issue registration cards to 12 13 medical cannabis cultivation organizations for the period 14 during which the database is being established.
  - (c) 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.
- 20 (Source: P.A. 102-538, eff. 8-20-21.)
- 21 (410 ILCS 130/165)

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- Sec. 165. Administrative rulemaking.
- 23 (a) Not later than 120 days after the effective date of 24 this Act, the Department of Public Health, Department of 25 Agriculture, and the Department of Financial and Professional

- 1 Regulation shall develop rules in accordance to
- responsibilities under this Act and file those rules with the 2
- Joint Committee on Administrative Rules. 3
- 4 (b) The Department of Public Health rules shall address,
- 5 but not be limited to, the following:
- (1) fees for applications for registration as a 6
- 7 qualified patient or caregiver;

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- (2) establishing the form and content of registration and renewal applications submitted under this Act, including a standard form for written certifications;
- 11 (3) governing the manner in which it shall consider applications for and renewals of registry identification 12 13 cards;
  - the manufacture of medical cannabis-infused (4)products;
    - (5) fees for the application and renewal of registry identification cards. Fee revenue may be offset or supplemented by private donations;
    - (6) any other matters as are necessary for the fair, impartial, stringent, and comprehensive administration of this Act; and
    - (7) reasonable rules concerning the medical use of cannabis at a nursing care institution, hospice, assisted living center, assisted living facility, assisted living home, residential care institution, or adult day health care facility.

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(c) The Department of Agriculture rules shall address, but
not be limited to the following related to registered
cultivation centers, with the goal of protecting against
diversion and theft, without imposing an undue burden on the
registered cultivation centers:

- 6 (1) oversight requirements for registered cultivation 7 centers:
  - (2) recordkeeping requirements for registered cultivation centers;
  - (3) security requirements for registered cultivation centers, which shall include that each registered cultivation center location must be protected by a fully operational security alarm system;
  - (4) rules and standards for what constitutes an enclosed, locked facility under this Act;
  - (5) procedures for suspending or revoking the registration certificates or registry identification cards of registered cultivation centers and their agents that commit violations of the provisions of this Act or the rules adopted under this Section;
  - (6) rules concerning the intrastate transportation of medical cannabis from a cultivation center to a dispensing organization;
  - (7) standards concerning the testing, quality, and cultivation of medical cannabis;
    - (8) any other matters as are necessary for the fair,

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L	impartial,	stringent,	and	comprehensive	administration	of
2	this Act;					

- (9) application and renewal fees for cultivation center agents; and
- (10) application, renewal, and registration fees for cultivation centers.
- (d) The Department of Financial and Professional Regulation rules shall address, but not be limited to the following matters related to registered dispensing organizations, with the goal of protecting against diversion and theft, without imposing an undue burden on the registered dispensing organizations or compromising the confidentiality of cardholders:
- 14 (1) application and renewal and registration fees for 15 dispensing organizations and dispensing organizations 16 agents;
  - (2) medical cannabis dispensing agent-in-charge oversight requirements for dispensing organizations;
  - (3) recordkeeping requirements for dispensing organizations;
  - (4) security requirements for medical cannabis dispensing organizations, which shall include that each registered dispensing organization location must be protected by a fully operational security alarm system;
  - (5) procedures for suspending or revoking the registrations of dispensing organizations and dispensing

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- 1 organization agents that commit violations οf the provisions of this Act or the rules adopted under this 2 3 Act;
- 4 (6) application and renewal fees for dispensing 5 organizations; and
- application and renewal fees for dispensing 6 (7) 7 organization agents.
  - The Department of Public Health may establish a sliding scale of patient application and renewal fees based upon a qualifying patient's household income. The Department of Public health may accept donations from private sources to reduce application and renewal fees, and registry identification card fees shall include an additional fee set by rule which shall be used to develop and disseminate educational information about the health risks associated with the abuse of cannabis and prescription medications.
    - (f) During the rule-making process, each Department shall make a good faith effort to consult with stakeholders identified in the rule-making analysis as being impacted by the rules, including patients or a representative of an organization advocating on behalf of patients.
  - (q) The Department of Public Health shall develop and disseminate educational information about the health risks associated with the abuse of cannabis and prescription medications.
- (Source: P.A. 98-122, eff. 1-1-14; 98-1172, eff. 1-12-15.) 26

- 1 (410 ILCS 130/210)
- 2 Sec. 210. Returns.

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- 3 (a) This subsection (a) applies to returns due on or
  4 before June 25, 2019 (the effective date of Public Act 101-27)
  5 this amendatory Act of the 101st General Assembly. On or
  6 before the twentieth day of each calendar month, every person
  7 subject to the tax imposed under this Law during the preceding
  8 calendar month shall file a return with the Department,
  9 stating:
- 10 (1) The name of the taxpayer;
- 11 (2) The number of ounces of medical cannabis sold to a 12 dispensing organization or a registered qualifying patient 13 during the preceding calendar month;
  - (3) The amount of tax due;
- 15 (4) The signature of the taxpayer; and
- 16 (5) Such other reasonable information as the
  17 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.
- 22 The taxpayer shall remit the amount of the tax due to the 23 Department at the time the taxpayer files his or her return.
- 24 (b) Beginning on <u>June 25, 2019</u> (the effective date of Public Act 101-27) this amendatory Act of the 101st General

- Assembly, Section 60-20 65-20 of the Cannabis Regulation and 1
- Tax Act shall apply to returns filed and taxes paid under this 2
- 3 Act to the same extent as if those provisions were set forth in
- 4 full in this Section.
- 5 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.)
- 6 (410 ILCS 130/125 rep.)
- 7 Section 20. The Compassionate Use of Medical Cannabis
- 8 Program Act is amended by repealing Section 125.
- 9 Section 25. The Cannabis Regulation and Tax Act is amended
- by changing Sections 1-10, 5-10, 5-15, 7-10, 7-15, 10-15, 10
- 11 15-15, 15-20, 15-25, 15-35, 15-35.10, 15-36, 15-40, 15-50,
- 15-60, 15-70, 15-85, 15-100, 15-145, 20-15, 20-30, 20-35, 12
- 13 20-45, 25-35, 30-10, 30-30, 30-35, 30-45, 35-25, 35-30, 40-25,
- 45-5, 50-5, 55-30, 55-65, 60-10, 65-10, 65-38, and 65-42 and 14
- adding Sections 15-24 and 40-50 as follows: 15
- (410 ILCS 705/1-10) 16
- 17 Sec. 1-10. Definitions. In this Act:
- "Adequate medical supply" means: 18
- 19 (1) 2.5 ounces of usable cannabis during a period of
- 20 14 days and that is derived solely from an intrastate
- 21 source.
- 22 (2) Subject to the rules of the Department of Public
- 23 Health, a patient may apply for a waiver where a

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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 medical
supply for a 14-day period to properly alleviate the
patient's debilitating medical condition or symptoms
associated with the debilitating medical condition.
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- (3) This subsection may not be construed to authorize the possession of more than 2.5 ounces at any time without authority from the Department of Public Health.
- (4) The premixed 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.

"Adult Use Cultivation Center License" means a license issued by the 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 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

1	electronic media, and television advertising; the distribution
2	of fliers and circulars; billboard advertising; and the
3	display of window and interior signs. "Advertise" does not
4	mean exterior signage displaying only the name of the licensed
5	cannabis business establishment.
6	"Application points" means the number of points a
7	Dispensary Applicant receives on an application for a
8	Conditional Adult Use Dispensing Organization License.
9	"BLS Region" means a region in Illinois used by the United
10	States Bureau of Labor Statistics to gather and categorize
11	certain employment and wage data. The 17 such regions in
12	Illinois are: Bloomington, Cape Girardeau, Carbondale-Marion,
13	Champaign-Urbana, Chicago-Naperville-Elgin, Danville,
14	Davenport Moline Rock Island, Decatur, Kankakee, Peoria,
15	Rockford, St. Louis, Springfield, Northwest Illinois
16	nonmetropolitan area, West Central Illinois nonmetropolitan
17	area, East Central Illinois nonmetropolitan area, and South
18	<del>Illinois nonmetropolitan area.</del>
19	(1) Bloomington (DeWitt County; McLean County);
20	(2) Cape Girardeau (Alexander County);
21	(3) Carbondale-Marion (Jackson County; Williamson
22	<pre>County);</pre>
23	(4) Champaign-Urbana (Champaign County; Ford County;
24	<pre>Piatt County);</pre>
25	(5) Chicago-Naperville-Elgin (Cook County; DeKalb

County; DuPage County; Grundy County; Kane County; Kendall

Τ	County; Lake County; McHenry County; Will County);
2	(6) Danville (Vermilion County);
3	(7) Davenport-Moline-Rock Island (Henry County; Mercer
4	<pre>County; Rock Island County);</pre>
5	(8) Decatur (Macon County);
6	(9) Kankakee (Kankakee County);
7	(10) Peoria (Marshall County; Peoria County; Stark
8	<pre>County; Tazewell County; Woodford County);</pre>
9	(11) Rockford (Boone County; Winnebago County);
10	(12) St. Louis (Bond County; Calhoun County; Clinton
11	County; Jersey County; Madison County; Macoupin County;
12	Monroe County; St. Clair County),
13	(13) Springfield (Menard County; Sangamon County);
14	(14) Northwest Illinois nonmetropolitan area (Bureau
15	County; Carroll County; Jo Daviess County; LaSalle County;
16	Lee County; Ogle County; Putnam County; Stephenson County;
17	Whiteside County);
18	(15) West Central Illinois nonmetropolitan area (Adams
19	County; Brown County; Cass County; Christian County;
20	Fulton County; Greene County; Hancock County; Henderson
21	County; Knox County; Livingston County; Logan County;
22	Mason County; McDonough County; Montgomery County; Morgan
23	County; Moultrie County; Pike County; Schuyler County;
24	Scott County; Shelby County; Warren County);
25	(16) East Central Illinois nonmetropolitan area (Clark
26	<pre>County; Clay County; Coles County; Crawford County;</pre>

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1	Cumberland County; Douglas County; Edgar County; Effingham
2	County; Fayette County; Iroquois County; Jasper County;
3	Lawrence County: Marion County: Richland County): and

(17) Southern Illinois nonmetropolitan area (Edwards County; Franklin County; Gallatin County; Hamilton County; Hardin County; Jefferson County; Johnson County; Massac County; Perry County; Pope County; Pulaski County; Randolph County; Saline County; Union County; Wabash County; Wayne County; White County).

"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

- 1 from it), fiber, oil or cake, or the sterilized seed of the
- plant that is incapable of germination. "Cannabis" does not 2
- include industrial hemp as defined and authorized under the 3
- 4 Industrial Hemp Act. "Cannabis" also means cannabis flower,
- 5 concentrate, and cannabis-infused products.
- "Cannabis business establishment" means a cultivation 6
- center, craft grower, processing organization, infuser 7
- organization, dispensing organization, or transporting 8
- 9 organization.
- 10 "Cannabis concentrate" means a product derived from
- 11 cannabis that is produced by extracting cannabinoids,
- including tetrahydrocannabinol (THC), from the plant through 12
- 13 the use of propylene glycol, glycerin, butter, olive oil, or
- 14 other typical cooking fats; water, ice, or dry ice; or butane,
- 15 propane, CO2, ethanol, or isopropanol and with the intended
- 16 use of smoking or making a cannabis-infused product. The use
- of any other solvent is expressly prohibited unless and until 17
- 18 it is approved by the Department of Agriculture.
- "Cannabis container" means a sealed or resealable, 19
- 20 traceable, container, or package used for the purpose of
- containment of cannabis or cannabis-infused product during 2.1
- 22 transportation.
- "Cannabis flower" means marijuana, hashish, and other 23
- 24 substances that are identified as including any parts of the
- 25 plant Cannabis sativa and including derivatives or subspecies,
- 26 such as indica, of all strains of cannabis; including raw

- 1 kief, leaves, and buds, but not resin that has been extracted
- from any part of such plant; nor any compound, manufacture,
- 3 salt, derivative, mixture, or preparation of such plant, its
- 4 seeds, or resin.
- 5 "Cannabis-infused product" means a beverage, food, oil,
- 6 ointment, tincture, topical formulation, or another product
- 7 containing cannabis or cannabis concentrate that is not
- 8 intended to be smoked.
- 9 "Cannabis paraphernalia" means equipment, products, or
- 10 materials intended to be used for planting, propagating,
- 11 cultivating, growing, harvesting, manufacturing, producing,
- 12 processing, preparing, testing, analyzing, packaging,
- 13 repackaging, storing, containing, concealing, ingesting, or
- otherwise introducing cannabis into the human body.
- "Cannabis plant monitoring system" or "plant monitoring
- 16 system" means a system that includes, but is not limited to,
- 17 testing and data collection established and maintained by the
- 18 cultivation center, craft grower, or <u>infuser</u> processing
- 19 organization and that is available to the Department of
- 20 Revenue, the Department of Agriculture, the Department of
- 21 Financial and Professional Regulation, and the Illinois State
- 22 Police for the purposes of documenting each cannabis plant and
- 23 monitoring plant development throughout the life cycle of a
- 24 cannabis plant cultivated for the intended use by a customer
- from seed planting to final packaging.
- 26 "Cannabis testing facility" means an entity <u>licensed</u>

- 1 registered by the Department of Agriculture to test cannabis
- for potency and contaminants. Licensed cannabis testing 2
- facilities are authorized under this Act to transport cannabis 3
- 4 from licensed cannabis business establishments to the licensed
- 5 cannabis testing facility and are exempt from the transporting
- organization license requirements. 6
- "Cannabis transport GPS tracking system" means a system 7
- that includes, but is not limited to, real-time tracking, 8
- 9 tracing, and recording of global positioning system data for
- 10 licensed transporter vehicles registered with the Department
- of Agriculture to transport cannabis and cannabis-infused 11
- 12 products.
- 13 "Certifying health care professional" has the meaning
- 14 given to that term under the Compassionate Use of Medical
- 15 Cannabis Program Act.
- 16 "Clone" means a plant section from a female cannabis plant
- not yet rootbound, growing in a water solution or other 17
- propagation matrix, that is capable of developing into a new 18
- 19 plant.
- 20 "Community College Cannabis Vocational Training Pilot
- Program faculty participant" means a person who is 21 years of 2.1
- 22 age or older, licensed by the Department of Agriculture, and
- is employed or contracted by an Illinois community college to 23
- 24 provide student instruction using cannabis plants at an
- 25 Illinois Community College.
- 26 "Community College Cannabis Vocational Training Pilot

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1 Program faculty participant Agent Identification Card" means a

document issued by the Department of Agriculture that

identifies a person as a Community College Cannabis Vocational

Training Pilot Program faculty participant.

"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 Department of Agriculture by rule, but does not entitle the recipient to begin growing, processing, or selling cannabis or cannabis-infused products.

"Consolidated transport center" means a facility licensed by the Department of Agriculture that is: (i) integrated with access controls, cameras, and alarms; (ii) owned and operated by an independent social equity transporting organization; and (iii) used for unloading products from vehicles, sorting and securely storing products, and reloading products onto licensed and registered transport vehicles before being shipped to cannabis business establishments.

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"Craft grower" means a facility operated by organization or business that is licensed by the 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 an infuser  $\frac{a}{a}$ processing organization. A craft grower may contain up to 14,000  $\frac{5,000}{}$  square feet of canopy space on its premises for plants in the flowering state. The 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 an infuser 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 Department of Agriculture that identifies a

1 person as a craft grower agent.

2	"Cultivation center" means a facility operated by an
3	organization or business that is licensed by the Department of
4	Agriculture to cultivate, process, transport (unless otherwise
5	limited by this Act), and perform other necessary activities
6	to provide cannabis and cannabis-infused products to cannabis
7	business establishments.
8	"Cultivation center agent" means a principal officer,
9	board member, employee, or other agent of a cultivation center
10	who is 21 years of age or older.
11	"Cultivation Center Agent Identification Card" means a
12	document issued by the Department of Agriculture that
13	identifies a person as a cultivation center agent.
14	"Currency" means currency and coins coin of the United
15	States.
16	"Designated caregiver" means a person who:
17	(1) is at least 21 years of age;

- (2) has agreed to assist with a patient's medical use 18 of cannabis; and 19
- 20 (3) assists no more than one registered qualifying 21 patient with the patient's medical use of cannabis.
- "Dispensary" means a facility operated by a dispensing 22 23 organization at which activities licensed by this Act may 24 occur.
- "Dispensary Applicant" means the Proposed Dispensing 25 Organization Name as stated on an application for a 26

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1 Conditional Adult Use Dispensing Organization License.

"Dispensing organization" or "dispensary" means a facility operated by an organization or business that is licensed by the Department of Financial and Professional Regulation to acquire cannabis from a cultivation center, craft grower, infuser 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 designated caregivers, and provisional patients to purchase an adequate medical supply. 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 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

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Economic	Opportunity,	that:
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- (1) meets at least one of the following criteria:
- 3 (A) the area has a poverty rate of at least 20% according to the latest federal decennial census; or 4
  - (B) 75% or more of the children in the area the federal free lunch program participate in 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
  - has high rates of arrest, conviction, incarceration related to the sale, possession, use, cultivation, manufacture, or transport of cannabis.

"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

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1 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

4 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

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1 business establishment or acting pursuant to this Act to 2 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

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- 1 when a cannabis plant is cultivated to produce plant material for cannabis products. This includes mature plants as follows: 2
  - (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.
- 10 "Individual" means a natural person.
  - "Infuser organization" or "infuser" means a facility operated by an organization or business that is licensed by the Department of Agriculture to directly incorporate cannabis or cannabis concentrate into a product formulation to produce a cannabis-infused product.
- 16 "Independent social equity transporting organization" 17 means a transporting organization that is licensed by the 18 Department of Agriculture and that is not owned or controlled, 19 in whole or in part, by (i) any other cannabis business 20 establishment, or (ii) any individual who serves as a 21 principal officer of a cannabis business establishment or who has ownership in or control of a cannabis business 22 23 establishment
- "Infuser organization agent" means a principal officer, board member, employee, or other agent of an infuser 26 organization.

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"Infuser organization agent identification card" means a document issued by the Department of Agriculture that identifies a person as an infuser organization agent.

"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.

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"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, service professionals conducting business with dispensing organization, or, if sales to registered qualifying patients, caregivers, provisional patients, and Alternative Pilot Program participants licensed pursuant to 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.

"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

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1 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 joint stock company, joint venture, public or private corporation, limited liability company, or a receiver, executor, trustee, quardian, 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 the Compassionate Use of Medical Cannabis Program Act.

> "Principal officer" includes а 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

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1 to control the cannabis business establishment, a person who assumes responsibility for the debts of the cannabis business 2

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; an Illinois driver's license, an on Identification Card, or an Illinois Person with a Disability Identification Card; or voter registration. No person may have more than one primary residence.

"Processor license" means a license issued to an infuser organization that is licensed by the Department of Agriculture under subsection (f) of Section 35-31 to extract raw materials from cannabis flower.

"Provisional registration" means a document issued by the Department of Public Health to a qualifying patient who has submitted (i) an online application and paid a fee to participate in Compassionate Use of Medical Cannabis Program pending approval or denial of the patient's application or (ii) a completed application for terminal illness.

"Provisional patient" means a qualifying patient who has received a provisional registration from the Department of Public Health.

"Processing organization" or "processor" means a facility operated by an organization or business that is licensed the Department of Agriculture to either extract constituent

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L	chemicals or o	compounds to	<del>produce c</del>	<del>cannabis</del>	concent	<del>rate o</del> r
2	<del>incorporate car</del>	<del>nabis or ca</del> r	<del>nabis con</del>	<del>centrate</del>	<del>into a</del>	product
3	formulation to	<del>produce a can</del> :	<del>nabis prod</del> u	<del>ict.</del>		

"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 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 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 <u>license or</u> conditional

- 1 license under this Act to operate a cannabis business establishment. 2
- "Qualifying patient" or "qualified patient" means a person 3
- 4 who has been diagnosed by a certifying health care
- 5 professional as having a debilitating medical condition.
- "Resided" means an individual's primary residence was 6
- located within the relevant geographic area as established by 7
- 8 2 of the following:
- 9 (1) a signed lease agreement that includes the
- 10 applicant's name;
- 11 (2) a property deed that includes the applicant's
- 12 name:
- 13 (3) school records;
- 14 (4) a voter registration card;
- 15 (5) an Illinois driver's license, Illinois an
- 16 Identification Card, or an Illinois Person with a
- Disability Identification Card; 17
- 18 (6) a paycheck stub;
- 19 (7) a utility bill;
- 20 (8) tax records; or
- (9) any other proof of residency or other information 2.1
- 22 necessary to establish residence as provided by rule.
- 23 "Smoking" means the inhalation of smoke caused by the
- 24 combustion of cannabis.
- 2.5 "Social Equity Applicant" means an applicant that is an
- 2.6 Illinois resident that meets one of the following criteria:

1	(1) an applicant with at least 51% ownership and
2	control by one or more individuals who have resided for at
3	least 5 of the preceding 10 years in a Disproportionately
4	Impacted Area;
5	(2) an applicant with at least 51% ownership and
6	control by one or more individuals who:
7	(i) have been arrested for, convicted of, or
8	adjudicated delinquent for any offense that is
9	eligible for expungement under this Act; or
10	(ii) is a member of an impacted family;
11	(3) for applicants with a minimum of 10 full-time
12	employees, an applicant with at least 51% of current
13	employees who:
14	(i) currently reside in a Disproportionately
15	Impacted Area; or
16	(ii) have been arrested for, convicted of, or
17	adjudicated delinquent for any offense that is
18	eligible for expungement under this Act or member of
19	an impacted family.
20	Nothing in this Act shall be construed to preempt or limit
21	the duties of any employer under the Job Opportunities for
22	Qualified Applicants Act. Nothing in this Act shall permit an
23	employer to require an employee to disclose sealed or expunged
24	offenses, unless otherwise required by law.
25	"Social Equity Criteria Lottery Licensee" means a holder

of an adult use cannabis dispensary license awarded through a

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## lottery held under subsection (c) of Section 15-35.20.

"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 composed 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 organization or business that is licensed by the Department of Agriculture to transport cannabis or cannabis-infused product

- 1 on behalf of a cannabis business establishment or a community
- college licensed under the Community College Cannabis 2
- 3 Vocational Training Pilot Program.
- 4 "Transporting organization agent" means a principal
- 5 officer, board member, employee, or agent of a transporting
- 6 organization.
- "Transporting organization agent identification card" 7
- 8 means a document issued by the Department of Agriculture that
- 9 identifies a person as a transporting organization agent.
- 10 "Unit of local government" means any county, city,
- 11 village, or incorporated town.
- "Vegetative stage" means the stage of cultivation in which 12
- 13 a cannabis plant is propagated to produce additional cannabis
- 14 plants or reach a sufficient size for production.
- 15 includes seedlings, clones, mothers, and other immature
- 16 cannabis plants as follows:
- (1) if the cannabis plant is in an area that has not 17
- 18 been intentionally deprived of light for a period of time
- intended to produce flower buds and induce maturation, it 19
- 20 has no more than 2 stigmas visible at each internode of the
- 2.1 cannabis plant; or
- 22 (2) any cannabis plant that is cultivated solely for
- 23 the purpose of propagating clones and is never used to
- 24 produce cannabis.
- 25 (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; 102-813, eff. 26

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- 2 (410 ILCS 705/5-10)
- 3 Sec. 5-10. Department of Agriculture.
  - (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 cannabis testing facilities, 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) The Department of Agriculture may establish, by rule, 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.
    - (c) The Department of Agriculture may adopt rules and emergency rules in accordance with the Illinois Administrative

- 1 Procedure Act and prescribe forms and fees relating to the
- administration and enforcement of this amendatory Act of the 2
- 103rd General Assembly, as it deems appropriate. 3
- 4 (Source: P.A. 101-27, eff. 6-25-19.)
- 5 (410 ILCS 705/5-15)
- Sec. 5-15. Department of Financial and Professional 6
- 7 Regulation.
- 8 (a) The Department of Financial and Professional
- 9 Regulation shall enforce the provisions of this Act relating
- 10 to the oversight and registration of dispensing organizations
- and agents, including the issuance of identification cards for 11
- dispensing organization agents. The Department of Financial 12
- and Professional Regulation may suspend or revoke the license 13
- 14 of, or otherwise discipline dispensing organizations,
- 15 principal officers, agents-in-charge, and agents
- violations of this Act and any rules adopted under this Act. 16
- (b) The Department of Financial and Professional 17
- Regulation may establish, by rule, market protections that 18
- 19 protect against unfair business practices, including, but not
- limited to, price-fixing, bid rigging, boycotts, agreements to 20
- not compete, exclusive wholesale arrangements for cannabis 21
- concentrate, cannabis flower, cannabis-infused products, and 22
- 23 any product that is licensed under this Act to ensure all
- 24 license types have equal access to the market without unfair
- 25 competition.

- (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.) 1
- (410 ILCS 705/7-10) 2
- 3 Sec. 7-10. Cannabis Business Development Fund.
- 4 (a) There is created in the State treasury a special fund,
- which shall be held separate and apart from all other State 5
- 6 moneys, to be known as the Cannabis Business Development Fund.
- 7 The Cannabis Business Development Fund shall be exclusively
- 8 used for the following purposes:
- 9 (1) to provide low-interest rate loans to Qualified
- 10 Social Equity Applicants and Social Equity Criteria
- Lottery Licensees to pay for ordinary and necessary 11
- 12 expenses to start and operate a cannabis business
- 13 establishment permitted by this Act;
- 14 (2) to provide grants to Qualified Social Equity
- Applicants to pay for ordinary and necessary expenses to 15
- start and operate a cannabis business establishment 16
- 17 permitted by this Act;
- 18 (3) to compensate the Department of Commerce and
- 19 Economic Opportunity for any costs related to the
- 20 provision of low-interest loans and grants to Qualified
- 21 Social Equity Applicants and Social Equity Criteria
- 22 Lottery Licensees;
- 23 (4) to pay for outreach that may be provided or
- 24 targeted to attract and support Social Equity Applicants,
- 25 and Qualified Social Equity Applicants, and Social Equity

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## Criteria Lottery Licensees;

- (5) (blank);
- (5.5) to provide financial assistance that supports lending to or private investment in Qualified Social Equity Applicants and Social Equity Criteria Lottery Licensees or that facilitates access to the facilities needed to commence operations as a cannabis business establishment;
  - (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
- 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) (Blank). 2.5
- 26 (c-5) In addition to any other transfers that may be

- 1 provided for by law, on July 1, 2023, or as soon thereafter as
- practical, the State Comptroller shall direct and the State 2
- Treasurer shall transfer the sum of \$40,000,000 from the 3
- 4 Compassionate Use of Medical Cannabis Fund to the Cannabis
- 5 Business Development Fund.
- (d) Notwithstanding any other law to the contrary, the 6
- Cannabis Business Development Fund is not subject to sweeps, 7
- administrative charge-backs, or any other fiscal or budgetary 8
- 9 maneuver that would in any way transfer any amounts from the
- 10 Cannabis Business Development Fund into any other fund of the
- 11 State.
- (Source: P.A. 103-8, eff. 6-7-23.) 12
- (410 ILCS 705/7-15) 13
- 14 Sec. 7-15. Loans, financial assistance, and grants to
- 15 Qualified Social Equity Applicants and Social Equity Criteria
- 16 Lottery Licensees.
- 17 (a) The Department of Commerce and Economic Opportunity
- 18 shall establish grant, and loan, and financial assistance
- 19 programs, subject to appropriations from the Cannabis Business
- 20 Development Fund, for the purposes of providing financial
- 21 assistance, loans, grants, and technical assistance
- 22 Qualified Social Equity Applicants and Social Equity Criteria
- 23 Lottery Licensees.
- 24 (b) The Department of Commerce and Economic Opportunity
- 25 has the power to:

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(1)	provide	Cannabis	Social	Equity	loans <u>,</u>	finan	cial
assistar	nce, and	grants	from	appropri	ations	from	the
Cannabis	Busines	ss Develo	pment E	Fund to	assist	Quali:	fied
Social	Equity	Applicant	s <u>and</u>	Social	Equity	Crite	eria
Lottery	Licensee	<u>es</u> in gair	ning en	try to,	and su	ccessfi	ully
operatin	ng in, the	e State's	regulat	ed canna	bis mark	cetplac	ce;

- (2) enter into agreements that set forth terms and conditions of the financial assistance, accept funds or grants, and engage in cooperation with 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 <u>financial</u> <u>assistance</u> <u>loan</u> programs with activities of the Illinois Department of Financial and Professional Regulation, the Illinois Department of Agriculture, 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

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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;

- (6.5) enter into financial intermediary agreements to facilitate lending to or investment in Qualified Social Equity Applicants, Social Equity Criteria Lottery Licensees, or their subsidiaries or affiliates to ensure the availability of facilities necessary to operate a cannabis business establishment;
- (7) establish application, notification, contract, and other forms, procedures, or rules deemed necessary and appropriate; 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 security, insurance, reporting, delinquency charges, default remedies, forgiveness, and other matters as the Department shall determine appropriate to protect the

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1 public interest and to be consistent with the purposes of this Section. The terms and provisions may be less than 2 3 required for similar loans not covered by this Section; 4 and-

> (3) may be distributed by a lottery if the Department determines that the amount of funding available is insufficient to provide an adequate amount of funding for all of the applicants eligible to receive a loan.

The Department may determine the number of loans available based on the amount of funding available and communicate the number of loans available on the loan application. The Department may use competitive criteria to establish which applicants are eligible to receive a grant, loan, or financial assistance.

(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, Oualified Social Equity Applicants, or Social Equity Criteria Lottery Licensees, job training and workforce development, and technical assistance to Social Equity Applicants. To the extent registration with the federal System for Award Management requires a grant applicant to certify compliance with all federal laws, the grant applicants under this Section shall not be required to register for a unique entity identifier through the federal

1	System	for	Award	Management	t o	he	qualified	t o	receive	а	arant
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- so long as federal law prohibits the cultivation and sale of 2
- 3 cannabis.
- 4 (d-5) Financial intermediary agreements to provide
- 5 financial assistance must further the goals set forth in this
- Act and result in financing or lease costs that are affordable 6
- 7 or below market rate.
- (e) Beginning January 1, 2021 and each year thereafter, 8
- 9 the Department shall annually report to the Governor and the
- 10 General Assembly on the outcomes and effectiveness of this
- 11 Section that shall include the following:
- (1) the number of persons or businesses receiving 12
- 13 financial assistance under this Section;
- (2) the amount in financial assistance awarded in the 14
- 15 aggregate, in addition to the amount of loans made that
- 16 are outstanding and the amount of grants awarded;
- (3) the location of the project engaged in by the 17
- person or business; and 18
- (4) if applicable, the number of new jobs and other 19
- 20 forms of economic output created as a result of the
- financial assistance. 2.1
- 22 (f) The Department of Commerce and Economic Opportunity
- 23 shall include engagement with individuals with limited English
- 24 proficiency as part of its outreach provided or targeted to
- 25 attract and support Social Equity Applicants.
- (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.) 26

(410 ILCS 705/10-15) 1

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- Sec. 10-15. Persons under 21 years of age.
- 3 (a) Nothing in this Act is intended to permit the transfer of cannabis, with or without remuneration, to a person under 4 21 years of age, or to allow a person under 21 years of age to 5 6 purchase, possess, use, process, transport, grow, or consume 7 cannabis except where authorized by this Act, 8 Compassionate Use of Medical Cannabis Program Act, or by the 9 Community College Cannabis Vocational Pilot Program.
  - Notwithstanding any other provisions (b) 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 quilty 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.
- 22 (d) It is unlawful for any parent or guardian to knowingly 23 permit his or her residence, any other private property under 24 his or her control, or any vehicle, conveyance, or watercraft 25 under his or her control to be used by an invitee of the

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parent's child or the quardian'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 quilty of a Class 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 quilty 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.

- 19 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.)
- 20 (410 ILCS 705/15-15)
- Sec. 15-15. Early Approval Adult Use Dispensing
  Organization License.
- 23 (a) Any medical cannabis dispensing organization holding a 24 valid registration under the Compassionate Use of Medical 25 Cannabis Program Act as of the effective date of this Act may,

- 1 within 60 days of the effective date of this Act, apply to the
- 2 Department for an Early Approval Adult Use Dispensing
- 3 Organization License to serve purchasers at any medical
- 4 cannabis dispensing location in operation on the effective
- 5 date of this Act, pursuant to this Section.
- 6 (b) A medical cannabis dispensing organization seeking
- 7 issuance of an Early Approval Adult Use Dispensing
- 8 Organization License to serve purchasers at any medical
- 9 cannabis dispensing location in operation as of the effective
- date of this Act shall submit an application on forms provided
- 11 by the Department. The application must be submitted by the
- 12 same person or entity that holds the medical cannabis
- 13 dispensing organization registration and include the
- 14 following:
- 15 (1) Payment of a nonrefundable fee of \$30,000 to be
- deposited into the Cannabis Regulation Fund;
- 17 (2) Proof of registration as a medical cannabis
- dispensing organization that is in good standing;
- 19 (3) Certification that the applicant will comply with
- the requirements contained in the Compassionate Use of
- 21 Medical Cannabis Program Act except as provided in this
- 22 Act;
- 23 (4) The legal name of the dispensing organization;
- 24 (5) The physical address of the dispensing
- 25 organization;
- 26 (6) The name, address, social security number, and

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date of	birth	of	each	principa	l off	ice	r a	nd :	board	memb	ber
of the	dispen	sing	orga	anization	, ead	ch o	f v	whom	n must	be	at
least 2	1 years	of a	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

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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

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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 Program Act is authorized to operate. A request to relocate under this subsection is subject to approval by the Early Approval Adult Use Department. An 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 Department. If an application to relocate is denied, the 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

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(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 <a href="Program Act">Program</a> 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 Department. Failure by an applicant to submit all required information may result in the application being disgualified.
- (e) If the Department receives an application that fails to provide the required elements contained in subsection (b), the Department shall issue a deficiency notice to the

- 1 applicant. The applicant shall have 10 calendar days from the
- date of the deficiency notice to submit complete information. 2
- 3 Applications that are still incomplete after this opportunity
- 4 to cure may be disqualified.
- 5 If an applicant meets all the requirements of
- subsection (b) of this Section, the Department shall issue the 6
- Early Approval Adult Use Dispensing Organization License 7
- 8 within 14 days of receiving a completed application unless:
- 9 (1) The licensee or a principal officer is delinquent
- 10 in filing any required tax returns or paying any amounts
- owed to the State of Illinois: 11
- Secretary of Financial and Professional 12 (2)The
- 13 Regulation determines there is reason, based on documented
- 14 compliance violations, the licensee is not entitled to an
- 15 Early Approval Adult Use Dispensing Organization License;
- 16 or
- (3) Any principal officer fails to register and remain 17
- in compliance with this Act or the Compassionate Use of 18
- 19 Medical Cannabis Program Act.
- 20 (g) A registered medical cannabis dispensing organization
- Dispensing 2.1 obtains Early Approval Adult Use an
- 22 Organization License may begin selling
- 23 cannabis-infused products, paraphernalia, and related items to
- 24 purchasers under the rules of this Act no sooner than January
- 25 1, 2020.
- 26 (h) A dispensing organization holding a medical cannabis

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1 dispensing organization license issued under the Compassionate 2 Use of Medical Cannabis Program Act must maintain an adequate supply of cannabis and cannabis-infused products for purchase by qualifying patients, designated 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 7 quantity to those medical cannabis products provided to qualified patients, provisional patients, and designated 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, designated 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.

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- (k) An Early Approval Adult Use Dispensing Organization valid until March 31, 2021. A License is 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 Department. The 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 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

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- 1 (4) the dispensing organization is in compliance with 2 this Act and rules.
  - (1) 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 Department. The 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

- 1 activities authorized by this Article to be performed by a
- 2 dispensing organization agent.
- 3 (o) If the Department suspends, permanently revokes, or 4 otherwise disciplines the Early Approval Adult Use Dispensing
- 5 Organization License of a dispensing organization that also
- 6 holds a medical cannabis dispensing organization license
- 7 issued under the Compassionate Use of Medical Cannabis Program
- 8 Act, the Department may consider the suspension, permanent
- 9 revocation, or other discipline of the medical cannabis
- 10 dispensing organization license.
- 11 (p) All fees collected pursuant to this Section shall be
- deposited into the Cannabis Regulation Fund, unless otherwise
- 13 specified.
- 14 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
- 15 102-98, eff. 7-15-21.)
- 16 (410 ILCS 705/15-20)
- 17 Sec. 15-20. Early Approval Adult Use Dispensing
- 18 Organization License; secondary site.
- 19 (a) Any medical cannabis dispensing organization holding a
- 20 valid registration under the Compassionate Use of Medical
- 21 Cannabis Program Act as of the effective date of this Act may,
- 22 within 60 days of the effective date of this Act, apply to the
- 23 Department for an Early Approval Adult Use Dispensing
- Organization License to operate a dispensing organization to
- 25 serve purchasers at a secondary site not within 1,500 feet of

1 another medical cannabis dispensing organization or adult use 2 dispensing organization. The Early Approval Adult 3 Dispensing Organization secondary site shall be within any BLS Region that shares territory with the dispensing organization 4 5 district to which the medical cannabis dispensing organization 6 is assigned under the administrative rules for dispensing organizations under the Compassionate Use of Medical Cannabis 7 8 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 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.
- 20 (b) (Blank).

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(c) A medical cannabis dispensing organization seeking 2.1 22 issuance of an Early Approval Adult Use 23 Organization License at a secondary site to serve purchasers 24 at a secondary site as prescribed in subsection (a) of this 25 Section shall submit an application on forms provided by the 26 Department. The application must meet or include the following

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L	qualifica	atı	ons	:

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- 2 (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 Department's supplemental requests for information;
    - (9) for the building or land to be used as the proposed

dispensary:

2	(A) if the property is not owned by the applicant,
3	a written statement from the property owner and
4	landlord, if any, certifying consent that the
5	applicant may operate a dispensary on the premises; or
6	(B) if the property is owned by the applicant,
7	confirmation of ownership;
8	(10) a copy of the proposed operating bylaws;
9	(11) a copy of the proposed business plan that
10	complies with the requirements in this Act, including, at
11	a minimum, the following:
12	(A) a description of services to be offered; and
13	(B) a description of the process of dispensing
14	cannabis;
15	(12) a copy of the proposed security plan that
16	complies with the requirements in this Article, including:
17	(A) a description of the delivery process by which
18	cannabis will be received from a transporting
19	organization, including receipt of manifests and
20	protocols that will be used to avoid diversion, theft,
21	or loss at the dispensary acceptance point; and
22	(B) the process or controls that will be
23	implemented to monitor the dispensary, secure the
24	premises, agents, patients, and currency, and prevent
25	the diversion, theft, or loss of cannabis; and
26	(C) the process to ensure that access to the

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1	restricted access areas is restricted to, registered
2	agents, service professionals, transporting
3	organization agents, Department inspectors, and
4	security personnel;
5	(13) a proposed inventory control plan that complies
6	with this Section;

- 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).
- Before receiving an Early Approval Adult 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 addition to the fee required by paragraph (16) of subsection (c) of this Section;

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- (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

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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 Department. Failure by an applicant to submit all required information may result in the application being

- 1 disqualified. Principal officers shall not be required to
- 2 submit to the fingerprint and background check requirements of
- 3 Section 5-20.
- 4 (g) If the Department receives an application that fails
- 5 to provide the required elements contained in subsection (c),
- 6 the Department shall issue a deficiency notice to the
- 7 applicant. The applicant shall have 10 calendar days from the
- 8 date of the deficiency notice to submit complete information.
- 9 Applications that are still incomplete after this opportunity
- 10 to cure may be disqualified.
- 11 (h) Once all required information and documents have been
- 12 submitted, the Department will review the application. The
- 13 Department may request revisions and retains final approval
- over dispensary features. Once the application is complete and
- 15 meets the Department's approval, the Department shall
- 16 conditionally approve the license. Final approval is
- 17 contingent on the build-out and Department inspection.
- 18 (i) Upon submission of the Early Approval Adult Use
- 19 Dispensing Organization at a secondary site application, the
- 20 applicant shall request an inspection and the Department may
- 21 inspect the Early Approval Adult Use Dispensing Organization's
- secondary site to confirm compliance with the application and
- this Act.
- 24 (j) The Department shall only issue an Early Approval
- 25 Adult Use Dispensing Organization License at a secondary site
- after the completion of a successful inspection.

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- 1 (k) If an applicant passes the inspection under this Section, the Department shall issue the Early Approval Adult 2 Use Dispensing Organization License at a secondary site within 3 4 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 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.
  - (1) Once the Department has issued a license, dispensing organization shall notify the 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

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- Cannabis Program Act and this Article shall prioritize serving qualifying patients, provisional patients, and designated 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 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 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

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- 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 Department. The 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

- 1 organization licensed under this Section may engage in all
- 2 activities authorized by this Article to be performed by a
- 3 dispensing organization agent.
- 4 (s) If the Department suspends, permanently revokes, or
- 5 otherwise disciplines the Early Approval Adult Use Dispensing
- 6 Organization License of a dispensing organization that also
- 7 holds a medical cannabis dispensing organization license
- 8 issued under the Compassionate Use of Medical Cannabis Program
- 9 Act, the Department may consider the suspension, permanent
- 10 revocation, or other discipline as grounds to take
- 11 disciplinary action against the medical cannabis dispensing
- 12 organization.
- 13 (t) All fees collected pursuant to this Section shall be
- 14 deposited into the Cannabis Regulation Fund, unless otherwise
- 15 specified.
- 16 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.)
- 17 (410 ILCS 705/15-24 new)
- 18 Sec. 15-24. Adult Use Dispensing Organization licensees
- 19 relocation.
- 20 (a) An Adult Use Dispensing Organization licensee may
- 21 apply to relocate within the licensee's specific BLS Region. A
- 22 request to relocate under this Section is subject to approval
- 23 by the Department. An Adult Use Dispensing Organization's
- 24 application to relocate its license under this Section shall
- 25 be considered to be approved 30 days following the submission

1	of a complete application to relocate, unless the request is
2	sooner approved or denied in writing by the Department. If an
3	application to relocate is denied, the Department shall
4	provide, in writing, the specific reason for denial. An Adult
5	Use Dispensing Organization may request to relocate under this
6	Section if:
7	(1) the Adult Use Dispensing Organization's existing
8	location is within the boundaries of a unit of local
9	government that prohibits the sale of adult use cannabis;
10	(2) the Adult Use Dispensing Organization has obtained
11	the approval of the municipality or, if outside the
12	boundaries of a municipality in an unincorporated area of
13	the county, the approval of the county where the existing
14	license is located, to move to another location within
15	that unit of local government; or
16	(3) the Adult Use Dispensing Organization has obtained
17	the approval, as evidenced by a letter of intent or full
18	zoning approval, to operate within the boundaries of a new
19	unit of local government, so long as the new unit of local
20	government is within the dispensing organization's
21	specific BLS Region.
22	(b) The relocation of an Adult Use Dispensing Organization
23	Licensee under this Section shall be subject to Sections 55-25
24	and 55-28.

- Sec. 15-25. Awarding of Conditional Adult Use Dispensing
  Organization Licenses prior to January 1, 2021.
- 3 (a) The Department shall issue up to 75 Conditional Adult 4 Use Dispensing Organization Licenses before May 1, 2020.
- 5 (b) The Department shall make the application for a 6 Conditional Adult Use Dispensing Organization License 7 available no later than October 1, 2019 and shall accept 8 applications no later than January 1, 2020.
- 9 (c) To ensure the geographic dispersion of Conditional
  10 Adult Use Dispensing Organization License holders, the
  11 following number of licenses shall be awarded in each BLS
  12 Region as determined by each region's percentage of the
  13 State's population:
- 14 (1) Bloomington: 1
- 15 (2) Cape Girardeau: 1
- 16 (3) Carbondale-Marion: 1
- 17 (4) Champaign-Urbana: 1
- 18 (5) Chicago-Naperville-Elgin: 47
- 19 (6) Danville: 1
- 20 (7) Davenport-Moline-Rock Island: 1
- 21 (8) Decatur: 1
- 22 (9) Kankakee: 1
- 23 (10) Peoria: 3
- 24 (11) Rockford: 2
- 25 (12) St. Louis: 4
- 26 (13) Springfield: 1

1	(14) Northwest Illinois nonmetropolitan: 3
2	(15) West Central Illinois nonmetropolitan: 3
3	(16) East Central Illinois nonmetropolitan: 2
4	(17) South Illinois nonmetropolitan: 2
5	(d) An applicant seeking issuance of a Conditional Adult
6	Use Dispensing Organization License shall submit an
7	application on forms provided by the Department. An applicant
8	must meet the following requirements:
9	(1) Payment of a nonrefundable application fee of
10	\$5,000 for each license for which the applicant is
11	applying, which shall be deposited into the Cannabis
12	Regulation Fund;
13	(2) Certification that the applicant will comply with
14	the requirements contained in this Act;
15	(3) The legal name of the proposed dispensing
16	organization;
17	(4) A statement that the dispensing organization
18	agrees to respond to the Department's supplemental
19	requests for information;
20	(5) From each principal officer, a statement
21	indicating whether that person:
22	(A) has previously held or currently holds an
23	ownership interest in a cannabis business
24	establishment in Illinois; or
25	(B) has held an ownership interest in a dispensing
26	organization or its equivalent in another state or

1	territory of the United States that had the dispensing
2	organization registration or license suspended,
3	revoked, placed on probationary status, or subjected
4	to other disciplinary action;
5	(6) Disclosure of whether any principal officer has
6	ever filed for bankruptcy or defaulted on spousal support
7	or child support obligation;
8	(7) A resume for each principal officer, including
9	whether that person has an academic degree, certification,
10	or relevant experience with a cannabis business
11	establishment or in a related industry;
12	(8) A description of the training and education that
13	will be provided to dispensing organization agents;
14	(9) A copy of the proposed operating bylaws;
15	(10) A copy of the proposed business plan that
16	complies with the requirements in this Act, including, at
17	a minimum, the following:
18	(A) A description of services to be offered; and
19	(B) A description of the process of dispensing
20	cannabis;
21	(11) A copy of the proposed security plan that
22	complies with the requirements in this Article, including:
23	(A) The process or controls that will be
24	implemented to monitor the dispensary, secure the
25	premises, agents, and currency, and prevent the

diversion, theft, or loss of cannabis; and

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(B)	The p	process	to	ensure	that	access	to	the
restricte	ed aco	cess are	as I	is restr	ricted	to, re	egist	ered
agents,	se	rvice	pr	ofession	nals,	tran	nspor	ting
organizat	cion	agents,	D	epartmen	nt ir	nspecto	rs,	and
security	perso	nnel;						

- (12) A proposed inventory control plan that complies with this Section;
- (13) A proposed floor plan, a square footage estimate, and a description of proposed security devices, including, without limitation, cameras, motion detectors, servers, video storage capabilities, and alarm service providers;
- (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) Evidence of the applicant's status as a Social Equity Applicant, if applicable, and whether a Social Equity Applicant plans to apply for a loan or grant issued by the Department of Commerce and Economic Opportunity;
- (16) The address, telephone number, and email address of the applicant's principal place of business, if applicable. A post office box is not permitted;
- (17) Written summaries of any information regarding instances in which a business or not-for-profit that a prospective board member previously managed or served on were fined or censured, or any instances in which a

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1	business or not-for-profit that a prospective board member $% \left( 1\right) =\left( 1\right) \left( 1\right) \left$
2	previously managed or served on had its registration
3	suspended or revoked in any administrative or judicial
4	proceeding;

- (18) A plan for community engagement;
- (19) Procedures to ensure accurate recordkeeping and security measures that are in accordance with this Article and Department rules;
- (20) The estimated volume of cannabis it plans to store at the dispensary;
- (21) A description of the features that will provide accessibility to purchasers as required by the Americans with Disabilities Act;
- (22) A detailed description of air treatment systems that will be installed to reduce odors;
- (23) A reasonable assurance that the issuance of a license will not have a detrimental impact on the community in which the applicant wishes to locate;
- (24) The dated signature of each principal officer;
- 20 (25) A description of the enclosed, locked facility
  21 where cannabis will be stored by the dispensing
  22 organization;
  - (26) Signed statements from each dispensing organization agent stating that he or she will not divert cannabis;
    - (27) The number of licenses it is applying for in each

1 BLS Region;

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- (28) A diversity plan that includes a narrative of at least 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;
- (29) A contract with a private security contractor agency that is licensed under Section 10-5 of the Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Act of 2004 in order for the dispensary to have adequate security at its facility; and
- (30) Other information deemed necessary by the Illinois Cannabis Regulation Oversight Officer to conduct the disparity and availability study referenced in subsection (e) of Section 5-45.
- (e) An applicant who receives a Conditional Adult Use Dispensing Organization License under this Section has 180 days from the date of award to identify a physical location for the dispensing organization 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 Department

1 within 180 days of the issuance of the Conditional Adult Use 2 Dispensing Organization License, the Department may extend the 3 period for finding a physical address an additional 540 days 4 if the Conditional Adult Use Dispensing Organization License 5 holder demonstrates concrete attempts to secure a location and a hardship. If the Department denies the extension or the 6 Conditional Adult Use Dispensing Organization License holder 7 8 is either unable to find a location within 720 days of being 9 awarded a conditional license and become operational within 10 180 days thereafter, or unable to become operational within 11 720 days of being awarded a conditional license, the Department shall rescind the conditional license and award it 12 13 to the next highest scoring applicant in the BLS Region for 14 which the license was assigned, provided the applicant 15 receiving the license: (i) confirms a continued interest in 16 operating a dispensing organization; (ii) can provide evidence that the applicant continues to meet all requirements for 17 holding a Conditional Adult Use Dispensing Organization 18 License set forth in this Act; and (iii) has not otherwise 19 20 become ineligible to be awarded a dispensing organization license. If the new awardee is unable to accept the 2.1 22 Conditional Adult Use Dispensing Organization License, 23 Department shall award the Conditional Adult Use Dispensing 24 Organization License to the next highest scoring applicant in 25 the same manner. The new awardee shall be subject to the same 26 required deadlines as provided in this subsection.

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- (e-5) If, within 720 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 because no jurisdiction within the BLS Region allows for the operation of an Adult Use Dispensing Organization, the Department of Financial and Professional Regulation may authorize the Conditional Adult Use Dispensing Organization License holder to transfer its license to a BLS Region specified by the Department.
- (f) A dispensing organization that is awarded a Conditional Adult Use Dispensing Organization License pursuant to the criteria in Section 15-30 shall not purchase, possess, sell, or dispense cannabis or cannabis-infused products until the person has received an Adult Use Dispensing Organization License issued by the Department pursuant to Section 15-36 of this Act.
- (g) The Department shall conduct a background check of the prospective 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

- 1 records check. These fingerprints shall be checked against the
- 2 fingerprint records now and hereafter, to the extent allowed
- 3 by law, filed in the Illinois State Police and Federal Bureau
- 4 of Identification criminal history records databases. The
- 5 Illinois State Police shall furnish, following positive
- 6 identification, all Illinois conviction information to the
- 7 Department.
- 8 (Source: P.A. 102-98, eff. 7-15-21; 102-538, eff. 8-20-21;
- 9 102-813, eff. 5-13-22; 103-8, eff. 6-7-23.)
- 10 (410 ILCS 705/15-35)
- 11 Sec. 15-35. Qualifying Applicant Lottery for Conditional
- 12 Adult Use Dispensing Organization Licenses.
- 13 (a) In addition to any of the licenses issued under
- 14 Section 15-15, Section 15-20, Section 15-25, Section 15-30.20,
- or Section 15-35.10 of this Act, within 10 business days after
- 16 the resulting final scores for all scored applications
- pursuant to Sections 15-25 and 15-30 are released, the
- 18 Department shall issue up to 55 Conditional Adult Use
- 19 Dispensing Organization Licenses by lot, pursuant to the
- 20 application process adopted under this Section. In order to be
- 21 eligible to be awarded a Conditional Adult Use Dispensing
- Organization License by lot under this Section, a Dispensary
- 23 Applicant must be a Qualifying Applicant.
- The licenses issued under this Section shall be awarded in
- 25 each BLS Region in the following amounts:

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              (1) Bloomington: 1.
              (2) Cape Girardeau: 1.
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              (3) Carbondale-Marion: 1.
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              (4) Champaign-Urbana: 1.
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              (5) Chicago-Naperville-Elgin: 36.
              (6) Danville: 1.
 6
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              (7) Davenport-Moline-Rock Island: 1.
 8
              (8) Decatur: 1.
 9
              (9) Kankakee: 1.
              (10) Peoria: 2.
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              (11) Rockford: 1.
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              (12) St. Louis: 3.
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              (13) Springfield: 1.
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              (14) Northwest Illinois nonmetropolitan: 1.
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              (15) West Central Illinois nonmetropolitan: 1.
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              (16) East Central Illinois nonmetropolitan: 1.
              (17) South Illinois nonmetropolitan: 1.
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          (a-5) Prior to issuing licenses under subsection (a), the
      Department may adopt rules through emergency rulemaking in
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      accordance with subsection (kk) of Section 5-45 of the
      Illinois Administrative Procedure Act. The General Assembly
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      finds that the adoption of rules to regulate cannabis use is
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      deemed an emergency and necessary for the public interest,
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      safety, and welfare.
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          (b) The Department shall distribute the available licenses
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established under this Section subject to the following:

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- (1) The drawing by lot for all available licenses issued under this Section shall occur on the same day when practicable.
  - (2) Within each BLS Region, the first Qualifying Applicant drawn will have the first right to an available license. The second Qualifying Applicant drawn will have the second right to an available license. The same pattern will continue for each subsequent Qualifying Applicant drawn.
  - (3) The process for distributing available licenses under this Section shall be recorded by the Department in a format selected by the Department.
  - (4) A Dispensary Applicant is prohibited from becoming a Qualifying Applicant if a principal officer resigns the resulting final scores for all applications pursuant to Sections 15-25 and 15-30 are released.
  - (5) No Qualifying 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 Applicant exceeds the limits under paragraph (5) or (6), the

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Qualifying Applicant must choose which license to abandon and notify the Department in writing within 5 business days. If the Qualifying Applicant does not notify the Department as required, the Department shall refuse to issue the Qualifying 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 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 Applicant listing that principal officer must choose which license to abandon pursuant to subsection (d) of Section 15-36 and notify the Department in writing within 5 business days. If the Qualifying Applicant or licensees do not notify the Department as required, the Department shall refuse to issue the Qualifying 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 Applicant drawn by lot.
- Any and all rights conferred or obtained under this

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Section shall be limited to the provisions of this Section.

(c) An applicant who receives a Conditional Adult Use Dispensing Organization License under this Section has 180 days from the date it is awarded 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 Department within 180 days from the issuance the Conditional Adult Use Dispensing Organization License, Department may extend the period for finding a physical address an additional 540 days if the Conditional Adult Use Dispensing Organization License holder demonstrates a concrete attempt to secure a location and a hardship. If the Department denies the extension or the Conditional Adult Use Dispensing Organization License holder is either unable to find a location within 720 days of being awarded a conditional license and become operational within 180 days thereafter, or unable to become operational within 720 days of being awarded a Conditional Adult Use Dispensing Organization License under this Section, the Department shall rescind the Conditional Adult Use Dispensing Organization License and award it

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pursuant to subsection (b), 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 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 720 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 because no jurisdiction within the BLS Region allows for the operation of an Adult Use Dispensing Organization, the 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 Department.
- 25 (e) A dispensing organization that is awarded a 26 Conditional Adult Use Dispensing Organization License under

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- 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 Department pursuant to Section 15-36.
  - (f) The 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 Department.
    - (g) The 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 Department may, in its discretion, refuse to issue authorization to an applicant who meets any of the following

## criteria:

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- (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 Department, who has entered into a disciplinary or nondisciplinary agreement with the 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 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 Department shall deny issuance of a license under this Section if any principal officer, board member, or person

- 1 having a financial or voting interest of 5% or greater in the
- 2 licensee is delinquent in filing any required tax return or
- paying any amount owed to the State of Illinois. 3
- (j) The Department shall verify an applicant's compliance 4
- 5 with the requirements of this Article and rules adopted under
- 6 this Article before issuing a Conditional Adult Use Dispensing
- Organization License under this Section. 7
- 8 (k) If an applicant is awarded a Conditional Adult Use 9 Dispensing Organization License under this Section, 10 information and plans provided in the application, including 11 any plans submitted for bonus points, shall become a condition of the Conditional Adult Use Dispensing Organization License 12 13 and any Adult Use Dispensing Organization License issued to the Conditional Adult 14 holder of Use Dispensing 15 Organization License, except as otherwise provided by this Act 16 or by rule. A dispensing organization has a duty to disclose any material changes to the application. The Department shall 17 review all material changes disclosed by the dispensing 18 organization and may reevaluate its prior decision regarding 19 20 the awarding of а Conditional Adult Use Dispensing 2.1 Organization License, including, but not limited 22 suspending or permanently revoking a Conditional Adult Use 23 Dispensing Organization License. Failure to comply with the 24 conditions or requirements in the application may subject the 25 dispensing organization to discipline up to and including

suspension or permanent revocation of its authorization or

- 1 Conditional Adult Use Dispensing Organization License by the
- 2 Department.
- 3 (1) If an applicant has not begun operating as a
- 4 dispensing organization within one year after the issuance of
- 5 the Conditional Adult Use Dispensing Organization License
- 6 under this Section, the Department may permanently revoke the
- 7 Conditional Adult Use Dispensing Organization License and
- 8 award it to the next highest scoring applicant in the BLS
- 9 Region if a suitable applicant indicates a continued interest
- in the Conditional Adult Use Dispensing Organization License
- 11 or may begin a new selection process to award a Conditional
- 12 Adult Use Dispensing Organization License.
- 13 (Source: P.A. 102-98, eff. 7-15-21; 103-8, eff. 6-7-23.)
- 14 (410 ILCS 705/15-35.10)
- 15 Sec. 15-35.10. Social Equity Justice Involved Lottery for
- 16 Conditional Adult Use Dispensing Organization Licenses.
- 17 (a) In addition to any of the licenses issued under
- 18 Section 15-15, Section 15-20, Section 15-25, Section 15-30.20,
- or Section 15-35, within 10 business days after the resulting
- 20 final scores for all scored applications pursuant to Sections
- 21 15-25 and 15-30 are released, the Department shall issue up to
- 22 55 Conditional Adult Use Dispensing Organization Licenses by
- lot, pursuant to the application process adopted under this
- 24 Section. In order to be eligible to be awarded a Conditional
- 25 Adult Use Dispensing Organization License by lot, a Dispensary

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      Applicant must be a Qualifying Social Equity Justice Involved
      Applicant.
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          The licenses issued under this Section shall be awarded in
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      each BLS Region in the following amounts:
 5
               (1) Bloomington: 1.
               (2) Cape Girardeau: 1.
 6
               (3) Carbondale-Marion: 1.
7
8
               (4) Champaign-Urbana: 1.
 9
               (5) Chicago-Naperville-Elgin: 36.
10
               (6) Danville: 1.
11
               (7) Davenport-Moline-Rock Island: 1.
12
              (8) Decatur: 1.
13
              (9) Kankakee: 1.
              (10) Peoria: 2.
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              (11) Rockford: 1.
16
              (12) St. Louis: 3.
              (13) Springfield: 1.
17
18
               (14) Northwest Illinois nonmetropolitan: 1.
19
               (15) West Central Illinois nonmetropolitan: 1.
20
               (16) East Central Illinois nonmetropolitan: 1.
21
               (17) South Illinois nonmetropolitan: 1.
22
          (a-5) Prior to issuing licenses under subsection (a), the
23
      Department may adopt rules through emergency rulemaking in
24
      accordance with subsection (kk) of Section 5-45 of the
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Illinois Administrative Procedure Act. The General Assembly

finds that the adoption of rules to regulate cannabis use is

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- deemed an emergency and necessary for the public interest, safety, and welfare.
  - (b) The 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 Department in a format selected by the 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.

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- (6) No individual may be listed as a principal officer of more than 2 Conditional Adult Use Dispensing Organization Licenses awarded under this Section.
  - 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 Department in writing within 5 business days on forms prescribed by the Department. If the Qualifying Social Equity Justice Involved Applicant does not notify the Department as required, the Department shall refuse to issue the Qualifying Social Equity Justice Involved Applicant does Involved Applicant all available licenses established under this Section obtained by lot in all BLS Regions.
  - 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, 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 Department in writing

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within 5 business days on forms prescribed by the Department. If the Dispensary Applicant or licensees do not notify the Department as required, the 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 Department within 180 days from the issuance of the Conditional Adult Use Dispensing Organization License, the

1 Department may extend the period for finding a physical 2 address an additional 540 days if the Conditional Adult Use 3 Dispensing Organization License holder demonstrates a concrete attempt to secure a location and a hardship. If the Department 4 5 denies the extension or the Conditional Adult Use Dispensing 6 Organization License holder is either unable to find a location within 720 days of being awarded a conditional 7 8 license and become operational within 180 days thereafter, or 9 unable to become operational within 720 days of being awarded 10 a Conditional Adult Use Dispensing Organization License under 11 this Section, the Department shall rescind the Conditional Adult Use Dispensing Organization License and award it 12 13 pursuant to subsection (b) and notify the new awardee at the 14 email address provided in the awardee's application, provided 15 the applicant receiving the Conditional Adult Use Dispensing 16 Organization License: (i) confirms a continued interest in operating a dispensing organization; (ii) can provide evidence 17 that the applicant continues to meet all requirements for 18 holding a Conditional Adult Use Dispensing Organization 19 20 License set forth in this Act; and (iii) has not otherwise become ineligible to be awarded a Conditional Adult Use 2.1 Dispensing Organization License. If the new awardee is unable 22 23 to accept the Conditional Adult Use Dispensing Organization 24 License, the Department shall award the Conditional Adult Use 25 Dispensing Organization License pursuant to subsection (b). 26 The new awardee shall be subject to the same required

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- deadlines as provided in this subsection.
- (d) If, within 720 180 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 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 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 Department pursuant to Section 15-36.
  - (f) The 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

- 1 for the purpose of obtaining a State and federal criminal
- 2 records check. These fingerprints shall be checked against the
- 3 fingerprint records now and hereafter, to the extent allowed
- 4 by law, filed with the Illinois State Police and the Federal
- 5 Bureau of Investigation criminal history records databases.
- 6 The Illinois State Police shall furnish, following positive
- 7 identification, all Illinois conviction information to the
- 8 Department.
- 9 (g) The Department may verify information contained in
- 10 each application and accompanying documentation to assess the
- 11 applicant's veracity and fitness to operate a dispensing
- 12 organization.
- 13 (h) The Department may, in its discretion, refuse to issue
- 14 an authorization to an applicant who meets any of the
- 15 following criteria:
- 16 (1) An applicant who is unqualified to perform the
- duties required of the applicant.
- 18 (2) An applicant who fails to disclose or states
- 19 falsely any information called for in the application.
- 20 (3) An applicant who has been found guilty of a
- violation of this Act, who has had any disciplinary order
- 22 entered against the applicant by the Department, who has
- entered into a disciplinary or nondisciplinary agreement
- 24 with the Department, whose medical cannabis dispensing
- organization, medical cannabis cultivation organization,
- 26 Early Approval Adult Use Dispensing Organization License,

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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 Department shall deny the license if any principal 13 14 officer, board member, or person having a financial or voting 15 interest of 5% or greater in the licensee is delinquent in 16 filing any required tax return or paying any amount owed to the State of Illinois. 17
  - (j) The 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, 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

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and any Adult Use Dispensing Organization License issued to holder Conditional t.he  $\circ f$ t.he 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 Department shall review all material changes disclosed by the dispensing organization and may reevaluate its prior decision regarding a Conditional awarding of Adult Use Dispensing Organization License, including, but not limited 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 Department.

(1) 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 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; 103-8, eff. 6-7-23.) 1
- (410 ILCS 705/15-36) 2
- 3 Sec. 15-36. Adult Use Dispensing Organization License.
- 4 (a) A person is only eligible to receive or hold an Adult
- Use Dispensing Organization if the person has been awarded a 5
- Conditional Adult Use Dispensing Organization License pursuant 6
- 7 to this Act or has renewed its license pursuant to Section
- 15-45, subsection (k) of Section 15-15, or subsection (p) of 8
- 9 Section 15-20.
- 10 (b) The Department shall not issue an Adult Use Dispensing
- Organization License until: 11
- 12 (1) the Department has inspected the dispensary site
- 13 and proposed operations and verified that they are in
- 14 compliance with this Act and local zoning laws;
- (2) the Conditional Adult Use Dispensing Organization 15
- License holder has paid a license fee of \$60,000 or a 16
- 17 prorated amount accounting for the difference of time
- 18 between when the Adult Use Dispensing Organization License
- 19 is issued and March 31 of the next even-numbered year; and
- 20 (3) the Conditional Adult Use Dispensing Organization
- 21 License holder has met all the requirements in this Act
- 22 and rules.
- (c) No person or entity shall hold any legal, equitable, 23
- 24 ownership, or beneficial interest, directly or indirectly, of
- 25 more than 10 dispensing organizations licensed under this

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- 1 Article. Further, no person or entity that is:
- 2 (1) employed by, is an agent of, or participates in 3 the management of a dispensing organization or registered 4 medical cannabis dispensing organization;
  - (2) a principal officer of a dispensing organization or registered medical cannabis dispensing organization; or
  - (3) an entity controlled by or affiliated with a principal officer of a dispensing organization or registered medical cannabis dispensing organization;
  - shall hold any legal, equitable, ownership, or beneficial interest, directly or indirectly, in a dispensing organization that would result in such person or entity owning or participating in the management of 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, or Adult Use Dispensing Organization Licenses. For the purpose of this subsection, participating in management may include, without limitation, controlling decisions regarding staffing, pricing, purchasing, marketing, store design, hiring, and website design.
    - (d) The Department shall deny an application if granting that 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

- 1 Use Dispensing Organization Licenses, or any combination
- 2 thereof. If a person or entity is awarded a Conditional Adult
- 3 Use Dispensing Organization License that would cause the
- 4 person or entity to be in violation of this subsection, he,
- 5 she, or it shall choose which license application it wants to
- 6 abandon and such licenses shall become available to the next
- 7 qualified applicant in the region in which the abandoned
- 8 license was awarded.
- 9 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.)
- 10 (410 ILCS 705/15-40)
- 11 Sec. 15-40. Dispensing organization agent identification
- 12 card; agent training.
- 13 (a) The Department shall:
- 14 (1) verify the information contained in an application
- or renewal for a dispensing organization agent
- 16 identification card submitted under this Article, and
- approve or deny an application or renewal, within 30 days
- 18 of receiving a completed application or renewal
- 19 application and all supporting documentation required by
- 20 rule;
- 21 (2) issue a dispensing organization agent
- identification card to a qualifying agent within 15
- business days of approving the application or renewal;
- 24 (3) enter the registry identification number of the
- dispensing organization where the agent works;

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L	(4) within one year from the effective date of this
2	Act, allow for an electronic application process and
3	provide a confirmation by electronic or other methods that
1	an application has been submitted: and

- (5) collect a \$100 nonrefundable fee from the applicant to be deposited into the Cannabis Regulation
- (b) A dispensing organization agent must keep his or her identification card visible at all times when in the dispensary.
- 11 (c) The dispensing organization agent identification cards 12 shall contain the following:
  - (1) the name of the cardholder;
  - (2) the date of issuance and expiration date of the dispensing organization agent identification cards;
    - (3) a random 10-digit alphanumeric identification number containing at least 4 numbers and at least 4 letters that is unique to the cardholder; and
    - (4) a photograph of the cardholder.
  - (d) The dispensing organization agent identification cards shall be immediately returned to the dispensing organization upon termination of employment.
  - (e) The Department shall not issue an agent identification card if the applicant is delinquent in filing any required tax returns or paying any amounts owed to the State of Illinois.
    - (f) Any card lost by a dispensing organization agent shall

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- 1 be reported to the Illinois State Police and the Department immediately upon discovery of the loss. 2
  - (g) An applicant shall be denied a dispensing organization agent identification card renewal if he or she fails to complete the training provided for in this Section.
  - (h) A dispensing organization agent shall only be required to hold one card for the same employer regardless of what type of dispensing organization license the employer holds.
    - (i) Cannabis retail sales training requirements.
    - (1) Within 90 days of September 1, 2019, or 90 days of employment, whichever is later, all owners, managers, employees, and agents involved in the handling or sale of cannabis or cannabis-infused product employed by an adult use dispensing organization or medical cannabis dispensing organization as defined in Section 10 of the Compassionate Use of Medical Cannabis Program Act shall attend and successfully complete a Responsible Vendor Program.
    - (2) Each owner, manager, employee, and agent of an adult use dispensing organization or medical cannabis dispensing organization shall successfully complete the program annually.
    - (3) Responsible Vendor Program Training modules shall include at least 2 hours of instruction time approved by the Department including:
      - (i) Health and safety concerns of cannabis use, including the responsible use of cannabis,

1	physical effects, onset of physiological effects,
2	recognizing signs of impairment, and appropriate
3	responses in the event of overconsumption.
4	(ii) Training on laws and regulations on driving
5	while under the influence and operating a watercraft
6	or snowmobile while under the influence.
7	(iii) Sales to minors prohibition. Training shall
8	cover all relevant Illinois laws and rules.
9	(iv) Quantity limitations on sales to purchasers.
10	Training shall cover all relevant Illinois laws and
11	rules.
12	(v) Acceptable forms of identification. Training
13	shall include:
14	(I) How to check identification; and
15	(II) Common mistakes made in verification;
16	(vi) Safe storage of cannabis;
17	(vii) Compliance with all inventory tracking
18	system regulations;
19	(viii) Waste handling, management, and disposal;
20	(ix) Health and safety standards;
21	(x) Maintenance of records;
22	(xi) Security and surveillance requirements;
23	(xii) Permitting inspections by State and local
24	licensing and enforcement authorities;
25	(xiii) Privacy issues;
26	(xiv) Packaging and labeling requirement for sales

1 to purchasers; and

- (xv) Other areas as determined by rule. 2
- 3 (i) Blank.

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- 4 (k) Upon the successful completion of the Responsible 5 Vendor Program, the provider shall deliver proof of completion either through mail or electronic communication to 6 dispensing organization, which shall retain a copy of the 7 8 certificate.
  - (1) The license of a dispensing organization or medical cannabis dispensing organization whose owners, managers, employees, or agents fail to comply with this Section may be suspended or permanently revoked under Section 15-145 or may face other disciplinary action.
    - (m) The regulation of dispensing organization and medical cannabis dispensing employer and employee training is an exclusive function of the State, and regulation by a unit of local government, including a home rule unit, is prohibited. This subsection (m) is a denial and limitation of home rule powers and functions under subsection (h) of Section 6 of Article VII of the Illinois Constitution.
    - (n) Persons seeking Department approval to offer the training required by paragraph (3) of subsection (i) may apply for such approval between August 1 and August 15 of each odd-numbered year in a manner prescribed by the Department.
- 25 (o) Persons seeking Department approval to offer the 26 training required by paragraph (3) of subsection (i) shall

- 1 submit a nonrefundable application fee of \$2,000 to be
- 2 deposited into the Cannabis Regulation Fund or a fee as may be
- 3 set by rule. Any changes made to the training module shall be
- 4 approved by the Department.
- 5 (p) The Department shall not unreasonably deny approval of
- a training module that meets all the requirements of paragraph
- 7 (3) of subsection (i). A denial of approval shall include a
- 8 detailed description of the reasons for the denial.
- 9 (q) Any person approved to provide the training required
- 10 by paragraph (3) of subsection (i) shall submit an application
- 11 for re-approval between August 1 and August 15 of each
- odd-numbered year and include a nonrefundable application fee
- of \$2,000 to be deposited into the Cannabis Regulation Fund or
- 14 a fee as may be set by rule.
- 15 (r) All persons applying to become or renewing their
- 16 registrations to be agents, including agents-in-charge and
- 17 principal officers, shall disclose any disciplinary action
- taken against them that may have occurred in Illinois, another
- 19 state, or another country in relation to their employment at a
- 20 cannabis business establishment or at any cannabis cultivation
- 21 center, processor, infuser, dispensary, or other cannabis
- 22 business establishment.
- 23 (s) An agent applicant may begin employment at a
- 24 dispensing organization while the agent applicant's
- 25 identification card application is pending. Upon approval, the
- Department shall issue the agent's identification card to the

- 1 agent. If denied, the dispensing organization and the agent
- applicant shall be notified and the agent applicant must cease 2
- 3 all activity at the dispensing organization immediately.
- 4 (t) The Department and the Department of Agriculture may
- 5 develop and implement an integrated system to issue an agent
- identification card which identifies a dispensary agent 6
- 7 licensed by the Department as well as any cultivator, craft
- grower, transporter, community college program or infuser 8
- 9 license or registration the agent may simultaneously hold.
- 10 (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; 102-813, eff. 11
- 5-13-22.) 12
- (410 ILCS 705/15-50) 13
- 14 Sec. 15-50. Disclosure of ownership and control.
- 15 (a) Each dispensing organization applicant and licensee
- shall file and maintain a Table of Organization, Ownership, 16
- and Control with the Department. The Table of Organization, 17
- Ownership, and Control shall contain the information required 18
- 19 by this Section in sufficient detail to identify all owners,
- directors, and principal officers, and the title of each 20
- 21 principal officer or business entity that, through direct or
- indirect means, manages, owns, or controls the applicant or 22
- 23 licensee.
- 24 (b) The Table of Organization, Ownership, and Control
- 25 shall identify the following information:

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- (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 dispensing 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 dispensing organization with a parent company or companies, or partially owned or controlled by another entity must disclose to the Department the relationship and all

- 1 owners, board members, officers, or individuals with control
- 2 or management of those entities. A dispensing organization
- 3 shall not shield its ownership or control from the Department.
- 4 (e) All principal officers must submit a complete online
- 5 application with the Department within 14 days of the
- 6 dispensing organization being licensed by the Department or
- 7 within 14 days of Department notice of approval as a new
- 8 principal officer.
- 9 (f) A principal officer may not allow his or her
- 10 registration to expire.
- 11 (g) A dispensing organization separating with a principal
- officer must do so under this Act. The principal officer must
- communicate the separation to the Department within 5 business
- 14 days.
- 15 (h) A principal officer not in compliance with the
- 16 requirements of this Act shall be removed from his or her
- 17 position with the dispensing organization or shall otherwise
- 18 terminate his or her affiliation. Failure to do so may subject
- 19 the dispensing organization to discipline, suspension, or
- 20 revocation of its license by the Department.
- 21 (i) It is the responsibility of the dispensing
- organization and its principal officers to promptly notify the
- 23 Department of any change of the principal place of business
- 24 address, hours of operation, change in ownership or control,
- 25 or a change of the dispensing organization's primary or
- secondary contact information. Any changes must be made to the

- 1 Department in writing.
- 2 (Source: P.A. 101-27, eff. 6-25-19.)
- 3 (410 ILCS 705/15-60)
- 4 Sec. 15-60. Changes to a dispensing organization.
- 5 (a) A Conditional Adult Use Dispensing Organization License may not be sold, transferred, assigned, used as 6 collateral, and the organization holding the license may not 7 8 add new principal officers to its ownership structure or 9 change its ownership structure. Notwithstanding the foregoing, 10 this prohibition does not preclude third parties who are not registered as principal officers from investing in, lending 11 12 to, or otherwise providing capital to the Conditional Adult 13 Use Dispensing Organization License holder. Pursuant to this 14 subsection, third parties are not required to register as principal officers of the Conditional Adult Use Dispensing 15 Organization License holder so long as any third party 16 interest cannot be realized or otherwise vest until the 17 Conditional Adult Use Dispensing Organization License holder 18 19 is issued a corresponding Adult Use Dispensing Organization License under Section 15-36. In order to realize that interest 20 21 or have the interest vest, all third parties are subject to the Department's approval processes in this Section, either 22 23 through the sale or transfer of the Adult Use Dispensing 24 Organization License to the third party or through the third party's registration and approval as principal officer to the 25

## Adult Use Dispensing Organization License holder.

- 2  $\underline{(a-5)}$  (a) A license shall be issued to the specific
- 3 dispensing organization identified on the application and for
- 4 the specific location proposed. The license is valid only as
- 5 designated on the license and for the location for which it is
- 6 issued.

- 7 (b) A dispensing organization may only add principal
- 8 officers after being approved by the Department.
- 9 (c) A dispensing organization shall provide written notice
- of the removal of a principal officer within 5 business days
- 11 after removal. The notice shall include the written agreement
- of the principal officer being removed, unless otherwise
- approved by the Department, and allocation of ownership shares
- 14 after removal in an updated ownership chart.
- 15 (d) A dispensing organization shall provide a written
- 16 request to the Department for the addition of principal
- 17 officers. A dispensing organization shall submit proposed
- 18 principal officer applications on forms approved by the
- 19 Department.
- 20 (e) All proposed new principal officers shall be subject
- 21 to the requirements of this Act, this Article, and any rules
- that may be adopted pursuant to this Act.
- 23 (f) The Department may prohibit the addition of a
- 24 principal officer to a dispensing organization for failure to
- comply with this Act, this Article, and any rules that may be
- adopted pursuant to this Act.

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- 1 (q) A dispensing organization may not assign a license.
  - (h) A dispensing organization may not transfer a license without prior Department 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.
  - (i) With the addition or removal of principal officers, the Department will review the ownership structure to determine whether the change in ownership has had the effect of a transfer of the license. The dispensing organization shall supply all ownership documents requested by the Department.
  - (j) A dispensing organization may apply to the Department to approve a sale of the dispensing organization. A request to sell the dispensing organization must be on application forms provided by the Department. A request for an approval to sell a dispensing organization 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 of \$5,000 to be deposited into the Cannabis Regulation Fund;
      - (3) The application materials shall provide proof that

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- 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 adult use dispensing organization licenses;
  - (4) New principal officers shall each complete the proposed new principal officer application;
  - (5) If the Department 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 Department will issue a new license number and certificate to the new dispensing organization.
  - (k) The dispensing organization shall provide the Department with the personal information for all new dispensing organizations agents as required in this Article and all new dispensing organization agents shall be subject to the requirements of this Article. A dispensing organization agent must obtain an agent identification card from the Department before beginning work at a dispensary.
  - (1) Before remodeling, expansion, reduction, or other physical, noncosmetic alteration of a dispensary, the dispensing organization must notify the Department and confirm the alterations are in compliance with this Act and any rules that may be adopted pursuant to this Act.
- 26 (Source: P.A. 101-27, eff. 6-25-19.)

1 (410 ILCS 705/15-70)

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- 2 Sec. 15-70. Operational requirements; prohibitions.
- 3 (a) A dispensing organization shall operate in accordance 4 with the representations made in its application and license 5 materials. It shall be in compliance with this Act and rules.
  - (b) (Blank). A dispensing organization must include the legal name of the dispensary on the packaging of any cannabis product it sells.
    - (c) All cannabis, cannabis-infused products, and cannabis seeds must be obtained from an Illinois registered adult use cultivation center, craft grower, infuser, or another dispensary.
  - (c-5) A dispensing organization may sell cannabis and cannabis-infused products purchased from any cultivation center, craft grower, infuser, or other dispensary to persons over 21 years of age and to qualifying patients, designated caregivers, and provisional patients.
  - (d) Dispensing organizations are prohibited from selling any product containing alcohol except tinctures, which must be limited to containers that are no larger than 100 milliliters.
  - (e) A dispensing organization shall inspect and count product received from a transporting organization, adult use cultivation center, craft grower, infuser organization, or other dispensing organization before dispensing it.
- 25 (f) A dispensing organization may only accept cannabis

- 1 deliveries into a restricted access area. Deliveries may not
- be accepted through the public or limited access areas unless 2
- 3 otherwise approved by the Department.
- 4 (g) A dispensing organization shall maintain compliance
- 5 with State and local building, fire, and zoning requirements
- or regulations. 6
- (h) A dispensing organization shall submit a list to the 7
- 8 Department of the names of all service professionals that will
- 9 work at the dispensary. The list shall include a description
- 10 of the type of business or service provided. Changes to the
- 11 service professional list shall be promptly provided. No
- service professional shall work in the dispensary until the 12
- 13 name is provided to the Department on the service professional
- 14 list.
- 15 (i) A dispensing organization's license allows for a
- 16 dispensary to be operated only at a single location.
- (j) A dispensary may operate between 6 a.m. and 10 p.m. 17
- 18 local time.
- (k) A dispensing organization must keep all lighting 19
- 20 outside and inside the dispensary in good working order and
- 2.1 wattage sufficient for security cameras.
- 22 (1) A dispensing organization must keep all air treatment
- 23 systems that will be installed to reduce odors in good working
- 24 order.
- 25 (m) A dispensing organization must contract with a private
- 26 security contractor that is licensed under Section 10-5 of the

- 1 Private Detective, Private Alarm, Private Security,
- 2 Fingerprint Vendor, and Locksmith Act of 2004 to provide
- 3 on-site security at all hours of the dispensary's operation.
- 4 (n) A dispensing organization shall ensure that any
- 5 building or equipment used by a dispensing organization for
- 6 the storage or sale of cannabis is maintained in a clean and
- 7 sanitary condition.
- 8 (o) The dispensary shall be free from infestation by
- 9 insects, rodents, or pests.
- 10 (p) A dispensing organization shall not:
- 11 (1) Produce or manufacture cannabis;
- 12 (2) Accept a cannabis product from <u>a</u> an adult use 13 cultivation center, craft grower, infuser, dispensing
- organization, or transporting organization unless it is
- pre-packaged and labeled in accordance with this Act and
- any rules that may be adopted pursuant to this Act;
- 17 (3) Obtain cannabis or cannabis-infused products from
- 18 outside the State of Illinois;
- 19 (4) Sell cannabis or cannabis-infused products to a
- 20 purchaser unless the dispensing organization is licensed
- 21 under the Compassionate Use of Medical Cannabis Program
- 22 Act, and the individual is registered under the
- 23 Compassionate Use of Medical Cannabis Program or the
- 24 purchaser has been verified to be 21 years of age or older;
- 25 (5) Enter into an exclusive agreement with any adult
- use cultivation center, craft grower, or infuser.

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Dispensaries shall provide consumers an assortment of products from various cannabis business establishment licensees such that the inventory available for sale at any dispensary from any single cultivation center, craft grower, processor, transporter, or infuser entity shall not be more than 40% of the total inventory available for sale. For the purpose of this subsection, a cultivation center, craft grower, processor, or infuser shall be considered part of the same entity if the licensees share at least one principal officer. The Department may request that a dispensary diversify its products as needed or otherwise discipline a dispensing organization for violating this requirement;

- (6) Refuse to conduct business with an adult use cultivation center, craft grower, transporting organization, or infuser that has the ability to properly deliver the product and is permitted by the Department of Agriculture, on the same terms as other adult use cultivation centers, craft growers, infusers, or transporters with whom it is dealing;
  - (7) (Blank) Operate drive-through windows;
- (8) Allow for the dispensing of cannabis or cannabis-infused products in vending machines;
- (9) Transport cannabis to residences or <u>transport</u> cannabis to other locations where purchasers may be for delivery, except for the limited circumstances provided in

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paragraph	(5.5)	of subsection	(c) o	f Section	15-100;
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- (10) Enter into agreements to allow persons who are not dispensing organization agents to deliver cannabis or to transport cannabis to purchasers;
- (11) Operate a dispensary if its video surveillance equipment is inoperative;
- (12) Operate a dispensary if the point-of-sale equipment is inoperative;
- (13) Operate a dispensary if the State's cannabis electronic verification system is inoperative;
- (14) Have fewer than 2 people working at the dispensary at any time while the dispensary is open;
- (15) Be located within 1,500 feet of the property line of a pre-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;
  - (16) Sell clones or any other live plant material;
- (17) Sell cannabis, cannabis concentrate, or cannabis-infused products in combination or bundled with each other or any other items for one price, and each item of cannabis, concentrate, or cannabis-infused product must be separately identified by quantity and price on the receipt;
  - (18) Violate any other requirements or prohibitions

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1 set by Department rules.

- (q) It is unlawful for any person having an Early Approval Adult Use Cannabis Dispensing Organization License, Conditional Adult Use Cannabis Dispensing Organization, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Program Act or officer, associate, member, representative, or agent of such licensee to accept, receive, or borrow money or anything else of value or accept or receive credit (other than merchandising credit in the ordinary course of business for a period not to exceed 30 days) directly or indirectly from any adult use cultivation center, craft grower, infuser, or transporting organization in exchange for preferential placement on the dispensing organization's shelves, display cases, or website. This includes anything received or borrowed or from any stockholders, officers, agents, or persons connected with an adult use cultivation center, craft grower, infuser, or transporting organization.
  - (r) It is unlawful for any person having an Early Approval Adult Use Cannabis Dispensing Organization License, Conditional Adult Use Cannabis Dispensing Organization, an Adult Use Dispensing Organization License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Program to enter into any contract with any person licensed to cultivate, process,

- 1 or transport cannabis whereby such dispensing organization
- agrees not to sell any cannabis cultivated, processed, 2
- transported, manufactured, or distributed by any other 3
- 4 cultivator, transporter, or infuser, and any provision in any
- 5 contract violative of this Section shall render the whole of
- such contract void and no action shall be brought thereon in 6
- 7 any court.
- (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 8
- 9 102-98, eff. 7-15-21.)
- 10 (410 ILCS 705/15-85)
- Sec. 15-85. Dispensing cannabis. 11
- 12 Before a dispensing organization agent dispenses
- 13 cannabis to a purchaser, the agent shall:
- 14 (1) Verify the age of the purchaser by checking a
- 15 government-issued identification card by use of an
- electronic reader or electronic scanning device to scan a 16
- 17 purchaser's government-issued identification, if
- 18 applicable, to determine the purchaser's age and the
- 19 validity of the identification;
- (2) Verify the validity of the government-issued 2.0
- identification card by use of an electronic reader or 21
- 22 electronic scanning device to scan a purchaser's
- 23 government-issued identification, if applicable,
- 24 determine the purchaser's age and the validity of the
- 25 identification;

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1	(3)	Offer	any	appropriate	purchaser	education	or
2	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 Department's approval, a temporary and unique identifier until the agent's card application is approved or denied by the 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.
- 24 (c) For the purposes of this Section, valid identification
  25 must:
  - (1) Be valid and unexpired;

- 1 (2) Contain a photograph and the date of birth of the
- 2 person.
- 3 Notwithstanding any other provision of law, a
- 4 dispensing organization may offer pickup or drive-through
- 5 locations for cannabis or cannabis-infused products to
- purchasers over 21 years of age, qualifying patients, 6
- provisional patients, and designated caregivers, in accordance 7
- with Section 15-100. 8
- 9 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
- 10 102-98, eff. 7-15-21.)
- (410 ILCS 705/15-100) 11
- 12 Sec. 15-100. Security.
- (a) A dispensing organization shall implement security 13
- 14 measures to deter and prevent entry into and theft of cannabis
- 15 or currency.
- (b) A dispensing organization shall submit any changes to 16
- the floor plan or security plan to the Department for 17
- pre-approval. All cannabis shall be maintained and stored in a 18
- 19 restricted access area during construction.
- (c) The dispensing organization shall implement security 2.0
- 21 measures to protect the premises, purchasers, and dispensing
- organization agents including, but not limited to the 22
- 23 following:
- 2.4 (1) Establish a locked door or barrier between the
- 25 facility's entrance and the limited access area;

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	(2)	Prev	vent	individua	als	from	rema	aining	on	the	premi	İses
if	they	are	not	engaging	in	activ	rity	permi	tted	d by	this	Act
$\circ$ r	rules	3:										

- (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 in 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;
- (5.5) During hours of operation, dispense all cannabis from the restricted access area, including a drive-through window, or from a pickup location in close proximity to the restricted access area if (i) all orders in the pickup or drive-through location are placed in advance, (ii) no in-person or on-site ordering is permitted, and (iii) the dispensing organization confirms that the purchaser, registered qualifying patient, provisional patient, or designated caregiver complies with Section 15-85; as used in this paragraph, "pickup location in close proximity" means an area contiguous to the real property of the dispensary, such as a sidewalk or parking lot;
  - (6) When the dispensary is closed, store all cannabis

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-	and cur	rency	in a	rei	nf	orced	vault	roor	m in	the	restricted
2	access	area	and	in	a	manne	r as	to	prev	ent	diversion,
}	theft,	or los	s;								

- (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

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- 1 securing all product and currency following any instance of diversion, theft, or loss of cannabis, and conduct an 2 3 assessment to determine whether additional safeguards are 4 necessary; and
  - (16) Develop sufficient additional safeguards response to any special security concerns, or as required by the Department.
    - (d) The 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 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

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1 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 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

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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;
- 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.
- 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 Department. A current list

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authorized dispensing organization agents and service personnel that have access to the surveillance equipment must be available to the 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

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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 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; 1

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- (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 quarantees 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 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

- 1 audible and visual notification of any failure in the electronic video monitoring system; and
- (12) All electronic video surveillance monitoring must 3 record at least the equivalent of 8 frames per second and 4 5 be available as recordings to the Department and the Illinois State Police 24 hours a day via a secure 6 7 web-based portal with reverse functionality.
- (j) The requirements contained in this Act are minimum 9 requirements for operating a dispensing organization. 10 Department may establish additional requirements by rule.
- 11 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
- 102-538, eff. 8-20-21.) 12
- (410 ILCS 705/15-145) 13
- 14 Sec. 15-145. Grounds for discipline.
- 15 (a) The Department may deny issuance, refuse to renew or restore, or may reprimand, place on probation, 16 17 revoke, or take other disciplinary or nondisciplinary action 18 against any license or agent identification card or may impose 19 a fine for any of the following:
- 2.0 (1) Material misstatement in furnishing information to 21 the Department;
- (2) Violations of this Act or rules; 22
- 23 (3) Obtaining an authorization or license by fraud or 24 misrepresentation;
- 25 (4)pattern of conduct that demonstrates Α

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L	incompetence or that the applicant has engaged in conduct
2	or actions that would constitute grounds for discipline
3	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 Department within 30 days;
- 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 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 Department of a discrepancy in a

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Department	audit	of	cannabis;

- (13) A finding by the Department of a discrepancy in a Department audit of capital or funds;
- (14) A finding by the 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 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 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 Department annually as a condition for licensure;
- (18) Failure to inform the Department of any change of address within 10 business days;
  - (19) Disclosing customer names, personal information,

cannabis<u>; and</u> <del>-</del>

1	or protected health information in violation of any State
2	or federal law;
3	(20) Operating a dispensary before obtaining a license
4	from the Department;
5	(21) Performing duties authorized by this Act prior to
6	receiving a license to perform such duties;
7	(22) Dispensing cannabis when prohibited by this Act
8	or rules;
9	(23) Any fact or condition that, if it had existed at
10	the time of the original application for the license,
11	would have warranted the denial of the license;
12	(24) Permitting a person without a valid agent
13	identification card to perform licensed activities under
14	this Act;
15	(25) Failure to assign an agent-in-charge as required
16	by this Article;
17	(26) Failure to provide the training required by
18	paragraph (3) of subsection (i) of Section 15-40 within
19	the provided timeframe;
20	(27) Personnel insufficient in number or unqualified
21	in training or experience to properly operate the
22	dispensary business;
23	(28) Any pattern of activity that causes a harmful
24	impact on the community; and
25	(29) Failing to prevent diversion, theft, or loss of
26	cannabis; and -

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1		(30)	Eng	aging	in	a	pattern	of	n	onpayment	or	late
2	paym	ent	for	goods	or	se	ervices	to	a	cannabis	bus	iness
3	esta	.blis	hment									

- (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.
- 13 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.)
- 14 (410 ILCS 705/20-15)
- 15 Sec. 20-15. Conditional Adult Use Cultivation Center 16 application.
- 17 (a) If the Department of Agriculture makes available
  18 additional cultivation center licenses pursuant to Section
  19 20-5, applicants for a Conditional Adult Use Cultivation
  20 Center License shall electronically submit the following in
  21 such form as the Department of Agriculture may direct:
- 22 (1) the nonrefundable application fee set by rule by 23 the Department of Agriculture, to be deposited into the 24 Cannabis Regulation Fund;
  - (2) the legal name of the cultivation center;

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- (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 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

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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

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1	agricultural cultivation techniques and industry
2	standards;
3	(16) a list of any academic degrees, certifications,
4	or relevant experience of all prospective principal
5	officers, board members, and agents of the related
6	business;
7	(17) the identity of every person having a financial
8	or voting interest of 5% or greater in the cultivation
9	center operation with respect to which the license is
10	sought, whether a trust, corporation, partnership, limited
11	liability company, or sole proprietorship, including the
12	name and address of each person;
13	(18) a plan describing how the cultivation center will
14	address each of the following:
15	(i) energy needs, including estimates of monthly
16	electricity and gas usage, to what extent it will
17	procure energy from a local utility or from on-site
18	generation, and if it has or will adopt a sustainable
19	energy use and energy conservation policy;
20	(ii) water needs, including estimated water draw
21	and if it has or will adopt a sustainable water use and
22	water conservation policy; and
23	(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

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1	in ownership, management, employment, and contracting to
2	ensure that diverse participants and groups are afforded
3	equality of opportunity;
4	(20) any other information required by rule;
5	(21) a recycling plan:
6	(A) Purchaser packaging, including cartridges,
7	shall be accepted by the applicant and recycled.
8	(B) Any recyclable waste generated by the cannabis
9	cultivation facility shall be recycled per applicable
10	State and local laws, ordinances, and rules.
11	(C) Any cannabis waste, liquid waste, or hazardous
12	waste shall be disposed of in accordance with 8 Ill.
13	Adm. Code 1000.460, except, to the greatest extent
14	feasible, all cannabis plant waste will be rendered
15	unusable by grinding and incorporating the cannabis
16	plant waste with compostable mixed waste to be
17	disposed of in accordance with 8 Ill. Adm. Code
18	1000.460(g)(1);
19	(22) commitment to comply with local waste provisions:
20	a cultivation facility must remain in compliance with
21	applicable State and federal environmental requirements,
22	including, but not limited to:
23	(A) storing, securing, and managing all
24	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

2	(B) disposing liquid waste containing cannabis or
3	byproducts of cannabis processing in compliance with
4	all applicable State and federal requirements,
5	including, but not limited to, the cannabis
6	cultivation facility's permits under Title X of the
7	Environmental Protection Act; and
8	(23) a commitment to a technology standard for
9	resource efficiency of the cultivation center facility.
10	(A) A cannabis cultivation facility commits to use
11	resources efficiently, including energy and water. For
12	the following, a cannabis cultivation facility commits
13	to meet or exceed the technology standard identified
14	in items (i), (ii), (iii), and (iv), which may be
15	modified by rule:
16	(i) lighting systems, including light bulbs;
17	(ii) HVAC system;
18	(iii) water application system to the crop;
19	and
20	(iv) filtration system for removing
21	contaminants from wastewater.
22	(B) Lighting. The Lighting Power Densities (LPD)
23	for cultivation space commits to not exceed an average
24	of 36 watts per gross square foot of active and growing
25	space canopy, or all installed lighting technology
26	shall meet a photosynthetic photon efficacy (PPE) of

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1	no less than 2.2 micromoles per joule fixture and
2	shall be featured on the DesignLights Consortium (DLC)
3	Horticultural Specification Qualified Products List
4	(QPL). In the event that DLC requirement for minimum
5	efficacy exceeds 2.2 micromoles per joule fixture,
6	that PPE shall become the new standard.
7	(C) HVAC. <u>The</u> <del>(i) For cannabis grow operations</del>
8	with less than 6,000 square feet of canopy, the
9	licensee commits that all HVAC units will be
10	high-efficiency ductless split HVAC units, or other
11	more energy efficient equipment.
12	(ii) For cannabis grow operations with 6,000
13	square feet of canopy or more, the licensee
14	commits that all HVAC units will be variable
15	refrigerant flow HVAC units, or other more energy
16	efficient equipment.
17	(D) Water application.
18	(i) The cannabis cultivation facility commits
19	to use automated watering systems, including, but
20	not limited to, drip irrigation and flood tables,
21	to irrigate cannabis <u>crops</u> <del>crop</del> .
22	(ii) The cannabis cultivation facility commits
23	to measure runoff from watering events and report
24	this volume in its water usage plan, and that on

20% of runoff of water.

average, watering events shall have no more than

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- (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 Department of Agriculture. Failure by an applicant to submit all required information may result in the application being disqualified.
  - 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.
  - (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 Department of Agriculture pursuant to Section 20-21 of this

- 1 Act.
- (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 2
- 102-538, eff. 8-20-21.) 3
- 4 (410 ILCS 705/20-30)
- 5 Sec. 20-30. Cultivation center requirements; prohibitions.
- (a) The operating documents of a cultivation center shall 6
- 7 include procedures for the oversight of the cultivation
- 8 center, a cannabis plant monitoring system including a
- 9 physical inventory recorded weekly, accurate recordkeeping,
- 10 and a staffing plan.
- (b) A cultivation center shall implement a security plan 11
- 12 reviewed by the Illinois State Police that includes, but is
- 13 not limited to: facility access controls, perimeter intrusion
- 14 detection systems, personnel identification systems, 24-hour
- 15 surveillance system to monitor the interior and exterior of
- cultivation center facility and accessibility to 16
- authorized law enforcement, the Department of Public Health 17
- 18 where processing takes place, and the Department
- 19 Agriculture in real time.
- (c) All cultivation of cannabis by a cultivation center 2.0
- 21 must take place in an enclosed, locked facility at the
- 22 physical address provided to the Department of Agriculture
- 23 during the licensing process. The cultivation center location
- shall only be accessed by the agents working for the 24
- 25 cultivation center, the Department of Agriculture staff

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- 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

- 1 intended for distribution to a craft grower or infuser
- 2 organization must be packaged in a labeled cannabis container
- 3 and entered into a data collection system before transport.
- 4 (g) Cultivation centers are subject to random inspections
- 5 by the Department of Agriculture, the Department of Public
- 6 Health, local safety or health inspectors, the Illinois State
- 7 Police, or as provided by rule.
- 8 (h) A cultivation center agent shall notify local law
- 9 enforcement, the Illinois State Police, and the Department of
- 10 Agriculture within 24 hours of the discovery of any loss or
- 11 theft. Notification shall be made by phone or in person, or by
- 12 written or electronic communication.
- 13 (i) A cultivation center shall comply with all State and
- 14 any applicable federal rules and regulations regarding the use
- of pesticides on cannabis plants.
- 16 (j) No person or entity shall hold any legal, equitable,
- ownership, or beneficial interest, directly or indirectly, of
- 18 more than 3 cultivation centers licensed under this Article.
- 19 Further, no person or entity that is employed by, an agent of,
- 20 has a contract to receive payment in any form from a
- 21 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
- 25 a cultivation that would result in the person or entity owning
- or controlling in combination with any cultivation center,

- 1 principal officer of a cultivation center, or entity
- 2 controlled or affiliated with a principal officer of a
- 3 cultivation center by which he, she, or it is employed, is an
- 4 agent of, or participates in the management of, more than 3
- 5 cultivation center licenses.
- 6 (k) A cultivation center may not contain more than 210,000
- 7 square feet of canopy space for plants in the flowering stage
- 8 for cultivation of adult use cannabis as provided in this Act.
- 9 (1) A cultivation center may process cannabis, cannabis
- 10 concentrates, and cannabis-infused products.
- 11 (m) Beginning July 1, 2020, a cultivation center shall not
- 12 transport cannabis or cannabis-infused products to a craft
- 13 grower, dispensing organization, infuser organization, or
- 14 laboratory licensed under this Act, unless it has obtained a
- transporting organization license.
- 16 (n) It is unlawful for any person having a cultivation
- 17 center license or any officer, associate, member,
- 18 representative, or agent of such licensee to offer or deliver
- 19 money, or anything else of value, directly or indirectly to
- 20 any person having an Early Approval Adult Use Dispensing
- 21 Organization License, a Conditional Adult Use Dispensing
- 22 Organization License, an Adult Use Dispensing Organization
- License, or a medical cannabis dispensing organization license
- issued under the Compassionate Use of Medical Cannabis Program
- 25 Act, or to any person connected with or in any way
- representing, or to any member of the family of, such person

- 1 holding an Early Approval Adult Use Dispensing Organization 2 License, a Conditional Adult Use Dispensing Organization 3 License, an Adult Use Dispensing Organization License, or a 4 medical cannabis dispensing organization license issued under 5 the Compassionate Use of Medical Cannabis Program Act, or to 6 any stockholders in any corporation engaged in the retail sale any officer, manager, 7 cannabis, or to agent, 8 representative of the Early Approval Adult Use Dispensing 9 Organization License, a Conditional Adult Use Dispensing 10 Organization License, an Adult Use Dispensing Organization 11 License, or a medical cannabis dispensing organization license issued under the Compassionate Use of Medical Cannabis Program 12 Act to obtain preferential placement within the dispensing 13 organization, including, without limitation, on shelves and in 14 15 display cases where purchasers can view products, or on the 16 dispensing organization's website.
  - (o) A cultivation center must comply with any other requirements or prohibitions set by administrative rule of the Department of Agriculture.
- 20 (p) Cannabis business establishments shall adhere to the 2.1 traceability and consumer protection guidelines established by 22 the Department of Agriculture when utilizing the cannabis plant monitoring system or cannabis transport GPS tracking 23
- 24 system.

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- 25 (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; 102-813, eff. 26

1	5-13-22	2.)

- 2 (410 ILCS 705/20-35)
- 3 Sec. 20-35. Cultivation center agent identification card.
  - (a) The Department of Agriculture shall:
    - (1) establish by rule the information required in an initial application or renewal application for an agent identification card submitted under this Act 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 Act, 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 cultivation center 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 Department of Agriculture may by rule require prospective agents to file their applications by

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1	electronic	means	and	provide	notices	to	the	agents	bу
2	electronic	means.							

- (b) An agent must keep his or her identification card 3 4 visible at all times when on the property of the cultivation center at which the agent is employed. 5
- (c) The agent identification cards shall contain the 6 7 following:
  - (1) the name of the cardholder;
  - (2) the date of issuance and expiration date of the identification card;
- 11 (3) a random 10-digit alphanumeric identification number containing at least 4 numbers and at least 4 12 13 letters that is unique to the holder;
  - (4) a photograph of the cardholder; and
- 15 (5) the legal name of the cultivation center employing 16 the agent.
- (d) An agent identification card shall be immediately 17 18 returned to the cultivation center of the agent upon 19 termination of his or her employment.
  - (e) Any agent identification card lost by a cultivation center agent shall be reported to the Illinois State Police and the Department of Agriculture immediately upon discovery of the loss.
- 24 (f) The Department of Agriculture shall not issue an agent 2.5 identification card if the applicant is delinquent in filing 26 any required tax returns or paying any amounts owed to the

- 1 State of Illinois.
- (g) The Department and the Department of Financial and 2
- 3 Professional Regulation may develop and implement
- 4 integrated system to issue an agent identification card which
- 5 identifies a cultivation center agent licensed by the
- Department as well as any craft grower, transporter, 6
- dispensing organization, community college program, or infuser 7
- license or registration the agent may simultaneously hold.
- 9 (Source: P.A. 101-27, eff. 6-25-19; 102-538, eff. 8-20-21.)
- 10 (410 ILCS 705/20-45)
- Sec. 20-45. Renewal of cultivation center licenses and 11
- 12 agent identification cards.
- (a) Licenses and identification cards issued under this 13
- 14 Act shall be renewed annually. A cultivation center shall
- 15 receive written or electronic notice 90 days before the
- expiration of its current license that the license will 16
- 17 expire. The Department of Agriculture shall grant a renewal
- within 45 days of submission of a renewal application if: 18
- 19 (1)the cultivation center submits a renewal
- 2.0 application and the required nonrefundable renewal fee of
- 21 \$100,000, or another amount as the Department
- 22 Agriculture may set by rule after January 1, 2021, to be
- 23 deposited into the Cannabis Regulation Fund.
- 24 (2) the Department of Agriculture has not suspended
- 25 the license of the cultivation center or suspended or

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- 1 revoked the license for violating this Act or rules 2 adopted under this Act;
  - (3) the cultivation center has continued to operate in accordance with all plans submitted as part of its application and approved by the Department of Agriculture or any amendments thereto that have been approved by the Department of Agriculture;
  - (4) the cultivation center has submitted an agent, employee, contracting, and subcontracting diversity report as required by the Department; and
- 11 (5) cultivation center has submitted the an 12 environmental impact report.
  - (b) If a cultivation center fails to renew its license before expiration, it shall cease operations until its license is renewed.
  - (c) If a cultivation center agent fails to renew his or her identification card before its expiration, he or she shall cease to work as an agent of the cultivation center until his or her identification card is renewed.
    - (d) Any cultivation center that continues to operate, or any cultivation center 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.
- 2.5 (e) The Department of Agriculture shall not renew a license or an agent identification card if the applicant is 26

- 1 delinquent in filing any required tax returns or paying any
- 2 amounts owed to the State.
- (Source: P.A. 101-27, eff. 6-25-19.) 3
- 4 (410 ILCS 705/25-35)
- (Section scheduled to be repealed on July 1, 2026) 5
- Sec. 25-35. Community College Cannabis Vocational Training 6
- 7 Pilot Program faculty participant agent identification card.
- 8 (a) The Department shall:

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- (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 for application or renewal an 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

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1	renewal application process, and provide a confirmation by
2	electronic or other methods that an application has been
3	submitted. Each Department may by rule require prospective
4	agents to file their applications by electronic means and
5	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 12 13 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
- 18 (5) the legal name of the community college employing 19 the agent.
- 20 (d) An agent identification card shall be immediately returned to the community college of the agent upon 2.1 22 termination of his or her employment.
- 23 (e) Any agent identification card lost shall be reported 24 to the Illinois State Police and the Department of Agriculture 25 immediately upon discovery of the loss.
  - (f) An agent applicant may begin employment at a Community

- 1 College Cannabis Vocational Training Pilot Program while the
- agent applicant's identification card application is pending. 2
- Upon approval, the Department shall issue the agent's 3
- 4 identification card to the agent. If denied, the Community
- 5 College Cannabis Vocational Training Pilot Program and the
- 6 agent applicant shall be notified and the agent applicant must
- cease all activity at the Community College Cannabis 7
- 8 Vocational Training Pilot Program immediately.
- 9 (g) The Department of Agriculture shall not issue an agent
- 10 identification card if the applicant is delinquent in filing
- any required tax returns or paying any amounts owed to the 11
- State. 12
- 13 (h) The Department of Agriculture and the Department of
- 14 Financial and Professional Regulation may develop and
- 15 implement an integrated system to issue an agent
- 16 identification card which identifies a community college
- program agent licensed by the Department as well as any 17
- cultivation center, craft grower, transporter, dispensing 18
- 19 organization, or infuser license or registration the agent may
- 20 simultaneously hold.
- (Source: P.A. 101-27, eff. 6-25-19; 102-98, eff. 7-15-21; 2.1
- 102-538, eff. 8-20-21; 102-813, eff. 5-13-22.) 22
- 23 (410 ILCS 705/30-10)
- 24 Sec. 30-10. Application.
- 25 (a) When applying for a license, the applicant shall

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- electronically submit the following in such form as the Department of Agriculture may direct:
  - (1) the nonrefundable application fee 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 Department

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0	f Agricultur	e under	this .	Act; a	a phys	ical in	ventor	y sh	nall
be	e performed	of all	plants	s and	on a	weekly	basis	by	the
Cl	raft 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

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1	establishment;
2	(13) a survey of the enclosed, locked facility,
3	including the space used for cultivation;
4	(14) cultivation, processing, inventory, and packaging
5	plans;
6	(15) a description of the applicant's experience with
7	agricultural cultivation techniques and industry
8	standards;
9	(16) a list of any academic degrees, certifications,
10	or relevant experience of all prospective principal
11	officers, board members, and agents of the related
12	business;
13	(17) the identity of every person having a financial
14	or voting interest of 5% or greater in the craft grower
15	operation, whether a trust, corporation, partnership,
16	limited liability company, or sole proprietorship,
17	including the name and address of each person;
18	(18) a plan describing how the craft grower will
19	address each of the following:
20	(i) energy needs, including estimates of monthly
21	electricity and gas usage, to what extent it will
22	procure energy from a local utility or from on-site
23	generation, and if it has or will adopt a sustainable
24	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

1	water conservation policy; and
2	(iii) waste management, including if it has or
3	will adopt a waste reduction policy;
4	(19) a recycling plan:
5	(A) Purchaser packaging, including cartridges,
6	shall be accepted by the applicant and recycled.
7	(B) Any recyclable waste generated by the craft
8	grower facility shall be recycled per applicable State
9	and local laws, ordinances, and rules.
10	(C) Any cannabis waste, liquid waste, or hazardous
11	waste shall be disposed of in accordance with 8 Ill.
12	Adm. Code 1000.460, except, to the greatest extent
13	feasible, all cannabis plant waste will be rendered
14	unusable by grinding and incorporating the cannabis
15	plant waste with compostable mixed waste to be
16	disposed of in accordance with 8 Ill. Adm. Code
17	1000.460(g)(1);
18	(20) a commitment to comply with local waste
19	provisions: a craft grower facility must remain in
20	compliance with applicable State and federal environmental
21	requirements, including, but not limited to:
22	(A) storing, securing, and managing all
23	recyclables and waste, including organic waste
24	composed of or containing finished cannabis and
25	cannabis products, in accordance with applicable State
26	and local laws, ordinances, and rules; and

1	(B) disposing liquid waste containing cannabis or
2	byproducts of cannabis processing in compliance with
3	all applicable State and federal requirements,
4	including, but not limited to, the cannabis
5	cultivation facility's permits under Title X of the
6	Environmental Protection Act;
7	(21) a commitment to a technology standard for
8	resource efficiency of the craft grower facility.
9	(A) A craft grower facility commits to use
10	resources efficiently, including energy and water. For
11	the following, a cannabis cultivation facility commits
12	to meet or exceed the technology standard identified
13	in paragraphs (i), (ii), (iii), and (iv), which may be
14	modified by rule:
15	(i) lighting systems, including light bulbs;
16	(ii) HVAC system;
17	(iii) water application system to the crop;
18	and
19	(iv) filtration system for removing
20	contaminants from wastewater.
21	(B) Lighting. The Lighting Power Densities (LPD)
22	for cultivation space commits to not exceed an average
23	of 36 watts per gross square foot of active and growing
24	space canopy, or all installed lighting technology
25	shall meet a photosynthetic photon efficacy (PPE) of

no less than 2.2 micromoles per joule fixture and

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shall be featured on the DesignLights Consortium (DLC) 1 Horticultural Specification Qualified Products List 2 3 (QPL). In the event that DLC requirement for minimum efficacy exceeds 2.2 micromoles per joule fixture, 4 that PPE shall become the new standard. 5 (C) HVAC. 6 7 (i) The For cannabis grow operations with less 8 than 6,000 square feet of canopy, the licensee 9 commits that all HVAC units will be 10 high-efficiency ductless split HVAC units, or 11 other more energy efficient equipment. (ii) (Blank). For cannabis grow operations 12 13 with 6,000 square feet of canopy or more, the licensee commits that all HVAC units will be 14 15 variable refrigerant flow HVAC units, or other 16 more energy efficient equipment. 17 (D) Water application. 18 (i) The craft grower facility commits to use 19 automated watering systems, including, but not 20 limited to, drip irrigation and flood tables, to 2.1 irrigate cannabis crop. 22 (ii) The craft grower facility commits to 23 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.

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_	(E) Filtration. The craft grower commits that HVAC
2	condensate, dehumidification water, excess runoff, and
3	other wastewater produced by the craft grower facility
1	shall be captured and filtered to the best of the
Ō	facility's ability to achieve the quality needed to be
5	reused in subsequent watering rounds.

- (F) Reporting energy use and efficiency as required by rule; and
- (22) any other information required by rule.
- 10 (b) Applicants must submit all required information, 11 including the information required in Section 30-15, to the 12 Department of Agriculture. Failure by an applicant to submit 13 all required information may result in the application being 14 disqualified.
- 15 If the Department of Agriculture receives (C) an 16 application with missing information, the Department of Agriculture may issue a deficiency notice to the applicant. 17 The applicant shall have 10 calendar days from the date of the 18 19 deficiency notice to resubmit the incomplete information. 20 Applications that are still incomplete after this opportunity to cure will not be scored and will be disqualified. 2.1
- 22 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
- 23 102-538, eff. 8-20-21.)
- 24 (410 ILCS 705/30-30)
- Sec. 30-30. Craft grower requirements; prohibitions.

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- 1 (a) The operating documents of a craft grower shall
  2 include procedures for the oversight of the craft grower, a
  3 cannabis plant monitoring system including a physical
  4 inventory recorded weekly, accurate recordkeeping, and a
  5 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 Department of Agriculture in real time.
- (c) All cultivation of cannabis by a craft grower must 14 15 take place in an enclosed, locked facility at the physical 16 address provided to the Department of Agriculture during the licensing process. The craft grower location shall only be 17 18 accessed by the agents working for the craft grower, the Department of Agriculture staff performing inspections, the 19 20 Department of Public Health staff performing inspections, State and local law enforcement or other emergency personnel, 2.1 22 contractors working on jobs unrelated to cannabis, such as 23 installing or maintaining security devices or performing 24 electrical wiring, transporting organization agents 25 provided in this Act, or participants in the incubator 26 program, individuals in a mentoring or educational program

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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

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- 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.
- 11 (h) Craft growers are subject to random inspections by the 12 Department of Agriculture, local safety or health inspectors, 13 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 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.
- 22 (k) A craft grower or craft grower agent shall not 23 transport cannabis or cannabis-infused products to any other 24 cannabis business establishment without a transport 25 organization license unless:
- 26 (i) If the craft grower is located in a county with a

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- 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.
  - (1) A craft grower may enter into a contract with a transporting organization to transport cannabis to <u>a consolidated transport center</u>, a different transporting organization at the consolidated transport center, a cultivation center, a craft grower, an infuser organization, a dispensing organization, or a laboratory. <u>All products received and shipped to and from a consolidated transport center shall be tracked within the cannabis plant monitoring system.</u>
  - (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

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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

- 1 officer, manager, agent, or representative of the Early
- 2 Approval Adult Use Dispensing Organization License,
- Conditional Adult Use Dispensing Organization License, an 3
- 4 Adult Use Dispensing Organization License, or a medical
- 5 cannabis dispensing organization license issued under the
- 6 Compassionate Use of Medical Cannabis Program Act to obtain
- preferential placement within the dispensing organization, 7
- including, without limitation, on shelves and in display cases 8
- where purchasers can view products, or on the dispensing 9
- organization's website. 10
- 11 (o) A craft grower shall not be located within 1,500 feet
- of another craft grower or a cultivation center. 12
- 13 A craft grower may process cannabis, cannabis
- 14 concentrates, and cannabis-infused products.
- 15 (q) A craft grower must comply with any other requirements
- 16 or prohibitions set by administrative rule of the Department
- of Agriculture. 17
- 18 (r) Cannabis business establishments shall adhere to the
- 19 traceability and consumer protection guidelines established by
- 20 the Department of Agriculture when utilizing the cannabis
- plant monitoring system or cannabis transport GPS tracking 21
- 22 system.
- (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 23
- 102-98, eff. 7-15-21; 102-538, eff. 8-20-21; 102-813, eff. 24
- 25 5-13-22.)

1	(410	ILCS	705	/30-35	5)

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- Sec. 30-35. Craft grower agent identification card.
  - (a) The Department of Agriculture shall:
    - (1) establish by rule the information required in an initial application or renewal application for an agent identification card submitted under this Act 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 Act 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 craft grower 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 Department of Agriculture may by rule require prospective agents to file their applications by electronic means and provide notices to the agents by electronic means.

1	(b)	An	agent	must	keep	his	or	her	identification	card
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- 2 visible at all times when on the property of a cannabis
- 3 business establishment, including the craft grower
- 4 organization for which he or she is an agent.
- 5 (c) The agent identification cards shall contain the
- 6 following:

- (1) the name of the cardholder;
- 8 (2) the date of issuance and expiration date of the 9 identification card;
- 10 (3) a random 10-digit alphanumeric identification 11 number containing at least 4 numbers and at least 4
- letters that is unique to the holder; 12
- 13 (4) a photograph of the cardholder; and
- 14 (5) the legal name of the craft grower organization
- 15 employing the agent.
- 16 (d) An agent identification card shall be immediately
- returned to the cannabis business establishment of the agent 17
- 18 upon termination of his or her employment.
- (e) Any agent identification card lost by a craft grower 19
- 20 agent shall be reported to the Illinois State Police and the
- Department of Agriculture immediately upon discovery of the 2.1
- 22 loss.
- 23 (f) The Department of Agriculture shall not issue an agent
- 24 identification card to an applicant if the applicant is
- 25 delinquent in filing any required tax returns or paying any
- 26 amounts owed to the State.

- (Source: P.A. 101-27, eff. 6-25-19; 102-538, eff. 8-20-21.) 1
- 2 (410 ILCS 705/30-45)
- 3 Sec. 30-45. Renewal of craft grower licenses and agent
- 4 identification cards.
- (a) Licenses and identification cards issued under this 5
- Act shall be renewed annually. A craft grower shall receive 6
- 7 written or electronic notice 90 days before the expiration of
- its current license that the license will expire. 8
- 9 Department of Agriculture shall grant a renewal within 45 days
- 10 of submission of a renewal application if:
- (1) the craft grower submits a renewal application and 11
- 12 the required nonrefundable renewal fee of \$40,000, or
- 13 another amount as the Department of Agriculture may set by
- 14 rule after January 1, 2021;
- (2) the Department of Agriculture has not suspended 15
- 16 the license of the craft grower or suspended or revoked
- 17 the license for violating this Act or rules adopted under
- 18 this Act;
- 19 (3) the craft grower has continued to operate in
- accordance with all plans submitted as part of its 20
- 21 application and approved by the Department of Agriculture
- 22 or any amendments thereto that have been approved by the
- Department of Agriculture; 23
- 24 (4) the craft grower has submitted an agent, employee,
- 25 contracting, and subcontracting diversity report as

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- 1 required by the Department; and
- (5) the craft grower has submitted an environmental 2 3 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.
- 11 (d) Any craft grower that continues to operate, or any craft grower agent who continues to work as an agent, after the 12 13 applicable license or identification card has expired without renewal is subject to the penalties provided under Section 14 15 45-5.
  - (e) All fees or fines collected from the renewal of a craft grower license shall be deposited into the Cannabis Regulation Fund.
    - The Department of Agriculture shall not renew an applicant's license or agent identification card if the applicant is delinquent in filing any required tax returns or paying any amounts owed to the State.
  - (g) The Department and the Department of Financial and Professional Regulation may develop and implement an integrated system to issue an agent identification card which identifies a craft grower agent licensed by the Department as

- 1 well as any cultivator, dispensary, transporter, community
- college program, or infuser license or registration the agent 2
- 3 may simultaneously hold.
- 4 (Source: P.A. 101-27, eff. 6-25-19.)
- 5 (410 ILCS 705/35-25)
- 35-25. 6 Infuser organization requirements;
- 7 prohibitions.
- 8 (a) The operating documents of an infuser shall include
- 9 procedures for the oversight of the infuser, an inventory
- 10 monitoring system including a physical inventory recorded
- weekly, accurate recordkeeping, and a staffing plan. 11
- 12 (b) An infuser shall implement a security plan reviewed by
- the Illinois State Police that includes, but is not limited 13
- 14 to: facility access controls, perimeter intrusion detection
- 15 systems, personnel identification systems, and a 24-hour
- surveillance system to monitor the interior and exterior of 16
- the infuser facility and that is accessible to authorized law 17
- enforcement, the Department of Public Health, and the 18
- 19 Department of Agriculture in real time.
- (c) All processing of cannabis by an infuser must take 2.0
- 21 place in an enclosed, locked facility at the physical address
- 22 provided to the Department of Agriculture during the licensing
- 23 process. The infuser location shall only be accessed by the
- 24 agents working for the infuser, the Department of Agriculture
- staff performing inspections, the Department of Public Health 25

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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 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.
- 20 (e) An infuser may not either directly or indirectly
  21 discriminate in price between different cannabis business
  22 establishments that are purchasing a like grade, strain,
  23 brand, and quality of cannabis or cannabis-infused product.
  24 Nothing in this subsection (e) prevents an infuser from
  25 pricing cannabis differently based on differences in the cost
  26 of manufacturing or processing, the quantities sold, such

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- 1 volume discounts, or the way the products are delivered.
- (f) All cannabis infused by an infuser and intended for 2 3 distribution to a dispensing organization must be entered into 4 a data collection system, packaged and labeled under Section 5 55-21, and, if distribution is to a dispensing organization that does not share a premises with the infuser, placed into a 6 cannabis container for transport. All cannabis produced by an 7 infuser and intended for distribution to a cultivation center, 8 9 infuser organization, or craft grower with which it does not 10 share a premises, must be packaged in a labeled cannabis 11 container and entered into a data collection system before 12 transport.
  - (g) Infusers are subject to random inspections by the 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 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.
- 22 (i) An infuser organization may not be located in an area zoned for residential use. 23
- 24 (j) An infuser or infuser agent shall not transport 25 cannabis or cannabis-infused products to any other cannabis 26 business establishment without a transport organization

## license unless:

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- (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 <u>a</u> consolidated transport center, a different transporting organization at a consolidated transport center, a dispensing organization, or a laboratory. <u>All products received and shipped to and from a consolidated transport center shall be tracked within the cannabis plant monitoring system.</u>
- (1) 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

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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

- 1 organization, including, without limitation, on shelves and in
- 2 display cases where purchasers can view products, or on the
- 3 dispensing organization's website.
- 4 (n) At no time shall an infuser organization or an infuser
- 5 agent perform the extraction of cannabis concentrate from
- cannabis flower except if the infuser organization has also 6
- been issued a processor license under subsection (f) of 7
- 8 Section 35-31.
- 9 (o) Cannabis business establishments shall adhere to the
- 10 traceability and consumer protection guidelines established by
- 11 the Department of Agriculture when utilizing the cannabis
- plant monitoring system or cannabis transport GPS tracking 12
- 13 system.
- (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 14
- 15 102-98, eff. 7-15-21; 102-538, eff. 8-20-21; 102-813, eff.
- 16 5-13-22.)
- (410 ILCS 705/35-30) 17
- Sec. 35-30. Infuser agent identification card. 18
- 19 (a) The Department of Agriculture shall:
- 2.0 (1) establish by rule the information required in an
- 21 initial application or renewal application for an agent
- identification card submitted under this Act and the 22
- 23 nonrefundable fee to accompany the initial application or
- 24 renewal application;
- 25 (2) verify the information contained in an initial

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1	application or renewal application for an agent
2	identification card submitted under this Act, and approve
3	or deny an application within 30 days of receiving a
4	completed initial application or renewal application and
5	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 infuser 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 Department of Agriculture may by rule require prospective agents to file their applications by electronic means and provide notices to the agents by electronic means.
- (b) An agent must keep his or her identification card visible at all times when on the property of a cannabis business establishment including the cannabis business establishment for which he or she is an agent.
- (c) The agent identification cards shall contain the 22 23 following:
- 24 (1) the name of the cardholder;
- 2.5 (2) the date of issuance and expiration date of the 26 identification card;

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2	number	con	taining	at	least	4	numbers	and	at	least	4
3	letters	tha	t is uni	que	to the	hol	lder;				

- (4) a photograph of the cardholder; and
- 5 (5) the legal name of the infuser organization 6 employing the agent.
  - (d) An agent identification card shall be immediately returned to the infuser organization of the agent upon termination of his or her employment.
  - (e) Any agent identification card lost by a transporting agent shall be reported to the Illinois State Police and the Department of Agriculture immediately upon discovery of the loss.
  - (f) An agent applicant may begin employment at an infuser organization while the agent applicant's identification card application is pending. Upon approval, the Department shall issue the agent's identification card to the agent. If denied, the infuser organization and the agent applicant shall be notified and the agent applicant must cease all activity at the infuser organization immediately.
  - (g) The Department of Agriculture shall not issue an applicant an agent identification card if the applicant is delinquent in filing any required tax returns or paying any amounts owed to the State.
- 25 <u>(h) The Department and the Department of Financial and</u>
  26 <u>Professional Regulation may develop and implement an</u>

- 1 integrated system to issue an agent identification card which
- identifies an infuser agent licensed by the Department as well 2
- as any cultivation center, craft grower, transporter, 3
- 4 dispensing organization, or community college program license
- 5 or registration the agent may simultaneously hold.
- (Source: P.A. 101-27, eff. 6-25-19; 102-98, eff. 7-15-21; 6
- 102-538, eff. 8-20-21; 102-813, eff. 5-13-22.) 7
- 8 (410 ILCS 705/40-25)
- 9 40-25. Transporting organization requirements;
- 10 prohibitions.
- (a) The operating documents of a transporting organization 11
- 12 shall include procedures for the oversight of the transporter,
- an inventory monitoring system including a physical inventory 13
- 14 recorded weekly, accurate recordkeeping, and a staffing plan.
- 15 (b) A transporting organization may not transport cannabis
- or cannabis-infused products to any person other than a 16
- cultivation center, a craft grower, an infuser organization, a 17
- dispensing organization, a testing facility, a consolidated 18
- 19 transport center, or as otherwise authorized by rule.
- 20 (C) A 1 1 cannabis transported by а transporting
- 21 organization must be entered into a data collection system and
- 22 placed into a cannabis container for transport.
- 23 (d) Transporters are subject to random inspections by the
- 24 Department of Agriculture, the Department of Public Health,
- 25 the Illinois State Police, or as provided by rule.

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- 1 (e) A transporting organization agent shall notify local law enforcement, the Illinois State Police, and the Department 2 of Agriculture within 24 hours of the discovery of any loss or 3 4 theft. Notification shall be made by phone, in person, or by 5 written or electronic communication.
- (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 organization agent shall be in a vehicle while transporting cannabis goods.
- 11 (h) Transporters may not use commercial motor vehicles with a weight rating of over 10,001 pounds. 12
  - (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:
- 20 (1) a person having a transporting organization 2.1 officer, associate, or any member. 22 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

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Medical Cannabis Program Act;

- (3) person connected with orin anv 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.
- (j-5) A transporting organization agent may not be required to remain on the property of a cannabis business establishment after transferring cannabis goods into the

- 1 control of the cannabis business establishment. A cannabis
- business establishment may examine the cannabis goods from the 2
- delivery after the transporting organization has transferred 3
- 4 control of the cannabis goods to the cannabis business
- 5 establishment.
- 6 (k) A copy of the transporting organization's registration
- and a manifest for the delivery shall be present in any vehicle 7
- transporting cannabis. A manifest for the delivery may be 8
- 9 amended under rules adopted by the Department.
- 10 (1) Cannabis shall be transported so it is not visible or
- 11 recognizable from outside the vehicle.
- (m) A vehicle transporting cannabis must not bear any 12
- markings to indicate the vehicle contains cannabis or bear the 13
- 14 name or logo of the cannabis business establishment.
- 15 (n) Cannabis must be transported in an enclosed, locked
- 16 storage compartment that is secured or affixed to the vehicle.
- (o) The Department of Agriculture may, by rule, impose any 17
- 18 other requirements or prohibitions on the transportation of
- 19 cannabis.
- 20 (p) No person, cannabis business establishment, or entity
- other than an entity with a transporting license may transport 2.1
- 22 cannabis or cannabis-infused products on behalf of a cannabis
- business establishment to or from a consolidated transport 23
- center, unless otherwise authorized by rule. 24
- 25 (q) At least 50% of deliveries from a consolidated
- transport center to a dispensing organization must be 26

- allocated to at least 4 distinct independent social equity 1
- transporting organizations other than the transporter that 2
- 3 operates the consolidated transport center.
- 4 (r) Cannabis business establishments shall adhere to the
- 5 traceability and consumer protection guidelines established by
- the Department of Agriculture when utilizing the cannabis 6
- 7 plant monitoring system or cannabis transport GPS tracking
- 8 system.
- 9 (s) A cannabis business establishment may not schedule any
- 10 delivery from a transporting organization within 1 hour of the
- cannabis business establishment's close of business on any 11
- business day. 12
- 13 (s) A transporting organization may begin a delivery to a
- 14 cannabis business establishment at any time during the day. A
- 15 transporting organization may not be restricted from beginning
- 16 a delivery based on a cannabis business establishment's listed
- 17 business hours.
- (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19; 18
- 19 102-98, eff. 7-15-21; 102-538, eff. 8-20-21; 102-813, eff.
- 20 5-13-22.)
- 21 (410 ILCS 705/40-50 new)
- 22 Sec. 40-50. Consolidated transport center requirements;
- 23 prohibitions.
- 24 (a) The operating documents of a consolidated transport
- 25 center shall include procedures for the oversight of the

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- 1 consolidated transport center and a cannabis or cannabis-infused products monitoring system, including, a 2 physical inventory recorded weekly, accurate recordkeeping, 3 4 and a staffing plan that is available to the Department of 5 Revenue, the Department of Agriculture, the Department of Financial and Professional Regulation, and the Illinois State 6
  - (b) A consolidated transport 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 consolidated transport center, and accessibility to authorized law enforcement agencies and officers, and the Department of Agriculture in real time.
  - (c) All consolidating transport center activities by a consolidated transport center must take place in an enclosed, fenced, and locked facility at the physical address provided to the Department of Agriculture during the licensing process. The consolidated transport center location shall only be accessed by the agents working for the consolidated transport center, the Department of Agriculture 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 1
- agents as provided in this Act, individuals in a mentoring or 2
- 3 educational program approved by the State, or other
- 4 individuals as provided by rule.
- 5 (d) A consolidated transport center may not store cannabis
- for more than 48 hours, excluding weekends or holidays. 6
- 7 (e) A consolidated transport center may not distribute any
- 8 cannabis or cannabis-infused products to any person other than
- 9 a dispensing organization, craft grower, infuser organization,
- 10 transporter, consolidated transport center, or as otherwise
- 11 authorized by rule.
- 12 (f) A consolidated transport center shall enter into a
- contract with, and allocate at least 50% of all transport 13
- 14 routes to, at least 4 separate independent social equity
- 15 transporting organizations to deliver product to receiving
- dispensaries. The contracted independent social equity 16
- transporting organizations may not own a consolidated 17
- transport center. The transport routes may not be completed by 18
- 19 the transporter that operates that consolidated transport
- 20 center.
- 2.1 (g) All cannabis or cannabis-infused products received by
- 22 a consolidated transport center for distribution to a cannabis
- business establishment must be entered into the cannabis plant 23
- 24 monitoring system, packaged and labeled under Section 55-21,
- 25 and placed into a cannabis container for transport.
- 26 (h) Consolidated transport centers are subject to random

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- 1 inspections by the Department of Agriculture, local safety or health inspectors, and the Illinois State Police. 2
- 3 (i) A consolidated transport center agent shall notify 4 local law enforcement, the Illinois State Police, and the 5 Department of Agriculture within 24 hours of the discovery of any loss or theft. Notification shall be made by phone, in 6 person, or by written or electronic communication. 7
  - (j) No person or entity shall hold any legal, equitable, ownership, or beneficial interest, directly or indirectly, of more than 3 consolidated transport center licenses under this Act. Further, no person or entity that is employed by a cannabis business establishment, an agent of a cannabis business establishment, has a contract to receive payment in any form from a cannabis business establishment, is a principal officer of a cannabis business establishment, or is an entity controlled by or affiliated with a principal officer of a cannabis business establishment shall hold any legal, equitable, ownership, or beneficial interest, directly or indirectly, in a cannabis business establishment that would result in the person or entity owning or controlling in combination with any cannabis business establishment, principal officer of a cannabis business establishment, or entity controlled or affiliated with a principal officer of a cannabis business establishment by which he, she, or it is employed, is an agent of, or participates in the management of, more than 3 consolidated transport center licenses.

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(k) It is unlawful for any person having a consolidated transport center license or any officer, associate, member, representative, or agent of such licensee to offer 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. 1
- 2 (1) A consolidated transport center must comply with the
- application process, mandatory fees, compliance requirements, 3
- 4 and prohibitions set by administrative rules of the Department
- 5 of Agriculture.
- (m) All fees and fines collected under this Section shall 6
- be deposited into the Cannabis Regulation Fund, unless 7
- 8 otherwise specified by rule by the Department of Agriculture.
- 9 (n) A consolidated transport center may not transfer an
- 10 ownership interest in a license without prior Department
- 11 approval. Such approval may be withheld if the person or
- entity to whom the license is being transferred does not meet 12
- 13 the definition of independent social equity transporting
- organization under this Act. 14
- 15 (o) The Department of Agriculture shall award up to 10
- 16 statewide licenses to consolidated transport centers.
- (p) The Department of Agriculture shall adopt rules to 17
- implement and administer a program permitting independent 18
- 19 social equity transporting organizations may temporarily store
- 20 rejected product until a consolidated transportation center is
- 2.1 operational.
- (q) The Department of Agriculture may not impose a maximum 22
- 23 size limit for a consolidated transport center.
- 2.4 (410 ILCS 705/45-5)
- 25 Sec. 45-5. License suspension; revocation; other

penalties. 1

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- (a) Notwithstanding any other criminal penalties related to the unlawful possession of cannabis, the Department of Financial and Professional Regulation and the Department of may revoke, suspend, place on Agriculture probation, reprimand, issue cease and desist orders, refuse to issue or 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.
    - (6) \$15,000 for each violation of this Act or rules

## adopted under this Act by a cannabis testing facility.

- 2 (b) The Department of Financial and Professional
  3 Regulation and the Department of Agriculture, as the case may
  4 be, shall consider licensee cooperation in any agency or other
  5 investigation in its determination of penalties imposed under
- 6 this Section.
- 7 (c) The procedures for disciplining a cannabis business 8 establishment or cannabis business establishment agent and for 9 administrative hearings shall be determined by rule, and shall 10 provide for the review of final decisions under the
- 11 Administrative Review Law.
- 12 (d) The Attorney General may also enforce a violation of
- 13 Section 55-20, Section 55-21, and Section 15-155 as an
- 14 unlawful practice under the Consumer Fraud and Deceptive
- 15 Business Practices Act.
- 16 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.)
- 17 (410 ILCS 705/50-5)

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- 18 Sec. 50-5. Laboratory testing.
- 19 (a) Notwithstanding any other provision of law, the
  20 following acts, when performed by a cannabis testing facility
  21 with a current, valid <u>license registration</u>, or a person 21
  22 years of age or older who is acting in his or her capacity as
  23 an owner, employee, or agent of a cannabis testing facility,
  24 are not unlawful and shall not be an offense under Illinois law

or be a basis for seizure or forfeiture of assets under

## 1 Illinois law:

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- (1) possessing, repackaging, transporting, storing, or 2 3 displaying cannabis or cannabis-infused products;
  - 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 cannabis business а 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 Department of Agriculture in accordance with this Section.
- (2) No laboratory shall be approved to handle, test, or 17 analyze cannabis unless the laboratory: 18

## (A) is licensed by the Department of Agriculture;

- (A-5)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,

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1	infuser, tran	sporter, ce	ertifying	physician,	or a	iny ot	ther
2	entity in the	State that	may bene	efit from th	ne pro	duct	ion,
3	manufacture,	dispensing	, sale,	purchase,	or	use	of
4	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 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;
- 26 (2) mycotoxins;

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(3)	nesticide	active	ingredients;
 $(\mathcal{I})$	pestitue	active	ingreatencs,

- (4) residual solvent; and
- 3 (5) an active ingredient analysis.
  - (d) The Department of Agriculture may select a random sample that shall, for the purposes of conducting an active ingredient analysis, be tested by the Department of Agriculture for verification of label information and any other testing deemed necessary by the Department.
  - (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 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 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 Department of Agriculture shall establish standards for microbial, mycotoxin, pesticide residue, solvent

- 1 residue, or other standards for the presence of possible
- contaminants, in addition to labeling requirements 2
- 3 contents and potency.
- 4 (h) The laboratory shall file with the Department of
- 5 Agriculture an electronic copy of each laboratory test result
- for any batch that does not pass the microbiological, 6
- mycotoxin, or pesticide chemical residue test, at the same 7
- time that it transmits those results to the cultivation 8
- 9 center. In addition, the laboratory shall maintain the
- 10 laboratory test results for at least 5 years and make them
- 11 available at the Department of Agriculture's request.
- (i) A cultivation center, craft grower, and infuser shall 12
- provide to a dispensing organization the laboratory test 13
- results for each batch of cannabis product purchased by the 14
- 15 dispensing organization, if sampled. Each dispensing
- 16 organization must have those laboratory results available upon
- 17 request to purchasers.
- 18 (j) The Department of Agriculture may adopt rules related
- to testing and licensing of laboratories in furtherance of 19
- 20 this Act.
- (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.) 2.1
- 22 (410 ILCS 705/55-30)
- 23 Sec. 55-30. Confidentiality.
- 24 Information provided by the cannabis business
- 25 establishment licensees or applicants to the Department of

Section 55-65.

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1 Agriculture, the Department of Public Health, the Department of Financial and Professional Regulation, the Department of 2 Commerce and Economic Opportunity, or other agency shall be 3 4 limited to information necessary for the purposes 5 administering this Act. The information is subject to the provisions and limitations contained in the Freedom of 6 Information Act and may be disclosed in accordance with 7

(b) The following information received and records kept by the Department of Agriculture, the Department of Public Health, the Illinois State Police, and the Department of and Professional Regulation for purposes Financial 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 Department of Financial and Professional Regulation, Department of Agriculture, the Department of Public Health, the Department of Commerce and Economic Opportunity, the Office of Executive Inspector General, 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, and except as necessary to those involved in enforcing the State Officials and Employees Ethics Act. The following information received and kept by the

proper request:

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- 1 Department of Financial and Professional Regulation or the Department of Agriculture may be disclosed to the Department 2 3 of Public Health, the Department of Agriculture, Department of Revenue, the Department of Commerce and Economic 4 5 Opportunity, the Illinois State Police, the Office of Executive Inspector General, or the Attorney General upon 6
  - (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 Department of Financial and Professional Regulation or the Department of Agriculture, except as necessary to the Attorney General to enforce this Act.

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- (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.
- All information collected by the Department of 7 8 Financial and Professional Regulation or the Department of 9 Agriculture in the course of an examination, inspection, or 10 investigation of a licensee or applicant, including, but not 11 limited to, any complaint against a licensee or applicant filed with the Department of Financial and Professional 12 13 Regulation or the Department of Agriculture and information 14 collected to investigate any such complaint, shall 15 maintained for the confidential use of the Department of 16 Financial and Professional Regulation or the Department of Agriculture and shall not be disclosed, except to those 17 involved in enforcing the State Officials and Employees Ethics 18 Act and as otherwise provided in this Act. A formal complaint 19 20 against a licensee by the Department of Financial and 2.1 Professional Regulation or the Department of Agriculture or 22 any disciplinary order issued by the Department of Financial 23 and Professional Regulation or the Department of Agriculture 24 against a licensee or applicant shall be a public record, 25 except as otherwise provided by law. Complaints from consumers 26 members of the general public received regarding a

- 1 specific, named licensee or complaints regarding conduct by
- unlicensed entities shall be subject to disclosure under the 2
- Freedom of Information Act. 3
- 4 The Department of Agriculture, the Illinois State
- 5 Police, and the Department of Financial and Professional
- Regulation shall not share or disclose any Illinois or 6
- national criminal history record information, 7
- nonexistence or lack of such information, to any person or 8
- 9 entity not expressly authorized by this Act.
- 10 (f) Each Department responsible for licensure under this
- 11 Act shall publish on the Department's website a list of the
- ownership information of cannabis business establishment 12
- 13 licensees under the Department's jurisdiction. The list shall
- include, but is not limited to: the name of the person or 14
- 15 entity holding each cannabis business establishment license;
- 16 and the address at which the entity is operating under this
- Act. This list shall be published and updated monthly. 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
- 20 5-13-22.)
- 21 (410 ILCS 705/55-65)
- 22 Sec. 55-65. Financial institutions.
- 23 A financial institution that provides financial
- 24 services customarily provided by financial institutions to a
- cannabis business establishment authorized under this Act or 25

- 1 the Compassionate Use of Medical Cannabis Program Act, or to a
- person that is affiliated with such cannabis business 2
- establishment, is exempt from any criminal law of this State 3
- 4 as it relates to cannabis-related conduct authorized under
- 5 State law.
- (b) Upon request of a financial institution, a cannabis 6
- 7 establishment or proposed cannabis
- 8 establishment may provide to the financial institution the
- 9 following information:
- 10 (1) Whether a cannabis business establishment with
- 11 which the financial institution is doing or is considering
- doing business holds a license under this Act or the 12
- 13 Compassionate Use of Medical Cannabis Program Act;
- 14 (2) The name of any other business or individual
- 15 affiliate with the cannabis business establishment;
- 16 (3) A copy of the application, and any supporting
- documentation submitted with the application, for a 17
- license or a permit submitted on behalf of the proposed 18
- cannabis business establishment; 19
- 20 (4) If applicable, data relating to sales and the
- 2.1 volume of product sold by the cannabis business
- 22 establishment;
- 23 (5) Any past or pending violation by the person of
- 24 this Act, the Compassionate Use of Medical Cannabis
- 25 Program Act, or the rules adopted under these Acts where
- 26 applicable; and

- 1 (6) Any penalty imposed upon the person for violating 2 this Act, the Compassionate Use of Medical Cannabis
- 3 Program Act, or the rules adopted under these Acts.
- 4 (c) (Blank).
- 5 (d) (Blank).

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- (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

1 for any purpose other than as provided in its agreement to provide services to the financial institution; and-2

(5) the Office of Executive Inspector General pursuant 3 4 to an investigation.

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

(410 ILCS 705/60-10) 6

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7 Sec. 60-10. Tax imposed.

> (a) Beginning September 1, 2019, a tax is imposed upon the privilege of cultivating cannabis at the rate of 7% of the gross receipts from the first sale of cannabis by a cultivator. The sale of any product that contains any amount of cannabis or any derivative thereof is subject to the tax under this Section on the full selling price of the product. The Department may determine the selling price of the cannabis when the seller and purchaser are affiliated persons, when the sale and purchase of cannabis is not an arm's length transaction, or when cannabis is transferred by a craft grower to the craft grower's dispensing organization or infuser or processing organization and a value is not established for the cannabis. The value determined by the Department shall be commensurate with the actual price received for products of like quality, character, and use in the area. If there are no sales of cannabis of like quality, character, and use in the same area, then the Department shall establish a reasonable value based on sales of products of like quality, character,

- 1 and use in other areas of the State, taking into consideration
- any other relevant factors. 2
- (b) The Cannabis Cultivation Privilege Tax imposed under 3
- 4 this Article is solely the responsibility of the cultivator
- 5 who makes the first sale and is not the responsibility of a
- subsequent purchaser, a dispensing organization, or an 6
- infuser. Persons subject to the tax imposed under this Article 7
- 8 may, however, reimburse themselves for their tax liability
- 9 hereunder by separately stating reimbursement for their tax
- 10 liability as an additional charge.
- 11 (c) The tax imposed under this Article shall be in
- addition to all other occupation, privilege, or excise taxes 12
- 13 imposed by the State of Illinois or by any unit of local
- 14 government.
- 15 (Source: P.A. 101-27, eff. 6-25-19.)
- (410 ILCS 705/65-10) 16
- 17 Sec. 65-10. Tax imposed.
- (a) Beginning January 1, 2020, a tax is imposed upon 18
- 19 purchasers for the privilege of using cannabis, and not for
- the purpose of resale, at the following rates: 20
- Any cannabis, other than a cannabis-infused 21
- 22 product, with an adjusted delta-9-tetrahydrocannabinol
- 23 level at or below 35% shall be taxed at a rate of 10% of
- 24 the purchase price;
- 25 Any cannabis, other than a cannabis-infused (2)

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- product, with an adjusted delta-9-tetrahydrocannabinol level above 35% shall be taxed at a rate of 25% of the purchase price; and
- 4 (3) A cannabis-infused product shall be taxed at a rate of 20% of the purchase price.
  - (b) The purchase of any product that contains any amount of cannabis or any derivative thereof is subject to the tax under subsection (a) of this Section on the full purchase price of the product.
  - (c) The tax imposed under this Section is not imposed on cannabis that is subject to tax under the Compassionate Use of Medical Cannabis Program Act. The tax imposed by this Section is not imposed with respect to any transaction in interstate commerce, to the extent the transaction may not, under the Constitution and statutes of the United States, be made the subject of taxation by this State.
    - (d) The tax imposed under this Article shall be in addition to all other occupation, privilege, or excise taxes imposed by the State of Illinois or by any municipal corporation or political subdivision thereof.
  - (e) The tax imposed under this Article shall not be imposed on any purchase by a purchaser if the cannabis retailer is prohibited by federal or State Constitution, treaty, convention, statute, or court decision from collecting the tax from the purchaser.
- 26 (f) The tax imposed under this Article shall not be

- 1 imposed on cannabis or cannabis infused products purchased by
- a qualified patient, designated caregiver, or provisional 2
- patient when purchasing cannabis as part of their adequate 3
- 4 medical supply as these terms are defined under the
- 5 Compassionate Use of Medical Cannabis Program Act and this
- 6 Act.

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- (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19.) 7
- 8 (410 ILCS 705/65-38)
- 9 Sec. 65-38. Violations and penalties.

is guilty of a Class 4 felony.

- 10 (a) When the amount due is under \$300, any retailer of cannabis who fails to file a return, willfully fails or 11 12 refuses to make any payment to the Department of the tax 13 imposed by this Article, or files a fraudulent return, or any 14 officer or agent of a corporation engaged in the business of 15 selling cannabis to purchasers located in this State who signs a fraudulent return filed on behalf of the corporation, or any 16 17 accountant or other agent who knowingly enters false 18 information on the return of any taxpayer under this Article
  - (b) When the amount due is \$300 or more, any retailer of cannabis who files, or causes to be filed, a fraudulent return, or any officer or agent of a corporation engaged in the business of selling cannabis to purchasers located in this State who files or causes to be filed or signs or causes to be signed a fraudulent return filed on behalf of the corporation,

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- or any accountant or other agent who knowingly enters false information on the return of any taxpayer under this Article is quilty of a Class 3 felony.
  - (c) Any person who violates any provision of Section 65-20, fails to keep books and records as required under this Article, or willfully violates a rule of the Department for the administration and enforcement of this Article is guilty of a Class 4 felony. A person commits a separate offense on each day that he or she engages in business in violation of Section 65-20 or a rule of the Department for the administration and enforcement of this Article. If a person fails to produce the books and records for inspection by the Department upon request, a prima facie presumption shall arise that the person has failed to keep books and records as required under this Article. A person who is unable to rebut this presumption is in violation of this Article and is subject to the penalties provided in this Section.
  - (d) Any person who violates any provision of Sections 65-20, fails to keep books and records as required under this Article, or willfully violates a rule of the Department for the administration and enforcement of this Article, is guilty of a business offense and may be fined up to \$5,000. If a person fails to produce books and records for inspection by the Department upon request, a prima facie presumption shall arise that the person has failed to keep books and records as required under this Article. A person who is unable to rebut

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- 1 this presumption is in violation of this Article 2 subject to the penalties provided in this Section. A person 3 commits a separate offense on each day that he or she engages
- 4 in business in violation of Section 65-20.
  - (e) Any taxpayer or agent of a taxpayer who with the intent to defraud purports to make a payment due to the Department by issuing or delivering a check or other order upon a real or fictitious depository for the payment of money, knowing that it will not be paid by the depository, is guilty of a deceptive practice in violation of Section 17-1 of the Criminal Code of 2012.
  - (f) Any person who fails to keep books and records or fails to produce books and records for inspection, as required by Section 65-36, is liable to pay to the Department, for deposit in the Tax Compliance and Administration Fund, a penalty of \$1,000 for the first failure to keep books and records or failure to produce books and records for inspection, as required by Section 65-36, and \$3,000 for each subsequent failure to keep books and records or failure to produce books and records for inspection, as required by Section 65-36.
  - (g) Any person who knowingly acts as a retailer of cannabis in this State without first having obtained a certificate of registration to do so in compliance with Section 65-20 of this Article shall be quilty of a Class 4 felony.
    - (h) A person commits the offense of tax evasion under this

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Article when he or she knowingly attempts in any manner to evade or defeat the tax imposed on him or her or on any other person, or the payment thereof, and he or she commits an affirmative act in furtherance of the evasion. As used in this Section, "affirmative act in furtherance of the evasion" means an act designed in whole or in part to (i) conceal, misrepresent, falsify, or manipulate any material fact or (ii) tamper with or destroy documents or materials related to a person's tax liability under this Article. Two or more acts of sales tax evasion may be charged as a single count in any indictment, information, or complaint and the amount of tax deficiency may be aggregated for purposes of determining the amount of tax that is attempted to be or is evaded and the period between the first and last acts may be alleged as the date of the offense.

- (1) When the amount of tax, the assessment or payment of which is attempted to be or is evaded is less than \$500, a person is guilty of a Class 4 felony.
- (2) When the amount of tax, the assessment or payment of which is attempted to be or is evaded is \$500 or more but less than \$10,000, a person is guilty of a Class 3 felony.
- (3) When the amount of tax, the assessment or payment of which is attempted to be or is evaded is \$10,000 or more but less than \$100,000, a person is guilty of a Class 2 felony.

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1 (4) When the amount of tax, the assessment or payment 2 of which is attempted to be or is evaded is \$100,000 or 3 more, a person is guilty of a Class 1 felony.

Any person who knowingly sells, purchases, installs, transfers, possesses, uses, or accesses any automated sales suppression device, zapper, or phantom-ware in this State is guilty of a Class 3 felony.

As used in this Section:

"Automated sales suppression device" or "zapper" means a software program that falsifies the electronic records of an electronic cash register or other point-of-sale system, including, but not limited to, transaction data and transaction reports. The term includes the software program, any device that carries the software program, or an Internet link to the software program.

"Phantom-ware" means a hidden programming option embedded in the operating system of an electronic cash register or hardwired into an electronic cash register that can be used to create a second set of records or that can eliminate or manipulate transaction records in an electronic cash register.

"Electronic cash register" means a device that keeps a register or supporting documents through the use of an electronic device or computer system designed to record transaction data for the purpose of computing, compiling, or processing retail sales transaction data in any manner.

26 "Transaction data" includes: items purchased by a

- purchaser; the price of each item; a taxability determination 1
- for each item; a segregated tax amount for each taxed item; the 2
- amount of cash or credit tendered; the net amount returned to 3
- 4 the customer in change; the date and time of the purchase; the
- 5 name, address, and identification number of the vendor; and
- the receipt or invoice number of the transaction. 6
- "Transaction report" means a report that documents, 7
- without limitation, the sales, taxes, or fees collected, media 8
- 9 totals, and discount voids at an electronic cash register and
- 10 that is printed on a cash register tape at the end of a day or
- 11 shift, or a report that documents every action at an
- electronic cash register and is stored electronically. 12
- A prosecution for any act in violation of this Section may 13
- 14 be commenced at any time within 5 years of the commission of
- 15 that act.
- 16 (i) The Department may adopt rules to administer the
- penalties under this Section. 17
- (j) Any person whose principal place of business is in 18
- this State and who is charged with a violation under this 19
- 20 Section shall be tried in the county where his or her principal
- place of business is located unless he or she asserts a right 2.1
- to be tried in another venue. 22
- 23 (k) Except as otherwise provided in subsection (h), a
- 24 prosecution for a violation described in this Section may be
- 25 commenced within 3 years after the commission of the act
- 26 constituting the violation.

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

2 (410 ILCS 705/65-42)

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Sec. 65-42. Seizure and forfeiture. After seizing any cannabis as provided in Section 65-41, the Department must hold a hearing and determine whether (i) the retailer was properly registered to sell the cannabis; (ii) the retailer possessed the cannabis in violation of this Act; (iii) the retailer possessed the cannabis in violation of any reasonable rule or regulation adopted by the Department for the enforcement of this Act; or (iv) the tax imposed by Article 60 had been paid on the cannabis at the time of its seizure by the Department. The Department shall give not less than 20 days' notice of the time and place of the hearing to the owner of the cannabis, if the owner is known, and also to the person in whose possession the cannabis was found, if that person is known and if the person in possession is not the owner of the cannabis. If neither the owner nor the person in possession of the cannabis is known, the Department must cause publication of the time and place of the hearing to be made at least once in each week for 3 weeks successively in a newspaper of general circulation in the county where the hearing is to be held.

of the findings listed in items (i) through (iv) above determines that the retailer was not properly registered at the time the cannabis was seized, the Department must enter an

- 1 order declaring the cannabis confiscated and forfeited to the
- State, to be held by the Department for disposal by it as 2
- provided in Section 65-43. The Department must give notice of 3
- 4 the order to the owner of the cannabis, if the owner is known,
- 5 and also to the person in whose possession the cannabis was
- found, if that person is known and if the person in possession 6
- is not the owner of the cannabis. If neither the owner nor the 7
- 8 person in possession of the cannabis is known, the Department
- 9 must cause publication of the order to be made at least once in
- 10 each week for 3 weeks successively in a newspaper of general
- 11 circulation in the county where the hearing was held.
- (Source: P.A. 101-27, eff. 6-25-19.) 12
- 13 (410 ILCS 705/15-10 rep.)
- 14 (410 ILCS 705/20-50 rep.)
- 15 (410 ILCS 705/30-50 rep.)
- 16 Section 30. The Cannabis Regulation and Tax Act is amended
- by repealing Sections 15-10, 20-50, and 30-50. 17
- 18 Section 35. The Illinois Vehicle Code is amended by
- changing Sections 11-502.1 and 11-502.15 as follows: 19
- 20 (625 ILCS 5/11-502.1)
- 21 Sec. 11-502.1. Possession of medical cannabis in a motor
- vehicle. 2.2
- 23 (a) No driver, who is a medical cannabis cardholder, may

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- 1 use medical cannabis within the passenger area of any motor vehicle upon a highway in this State. 2
  - (b) No driver, who is a medical cannabis cardholder, medical cannabis provisional patient, a medical cannabis designated caregiver, medical cannabis cultivation center agent, or dispensing organization agent may possess medical cannabis within any area of any motor vehicle upon a highway in this State except in a secured, sealed or resealable, odor-proof, and child-resistant medical cannabis container that is inaccessible.
  - (c) No passenger, who is a medical cannabis card holder, medical cannabis provisional patient, a medical cannabis designated caregiver, or medical cannabis dispensing organization agent may possess medical cannabis within any passenger area of any motor vehicle upon a highway in this State except in a secured, sealed or resealable, odor-proof, and child-resistant medical cannabis container that is inaccessible.
- 19 (d) Any person who violates subsections (a) through (c) of 20 this Section:
  - (1) commits a Class A misdemeanor;
  - (2) shall be subject to revocation of his or her medical cannabis card for a period of 2 years from the end of the sentence imposed; and
- 25 (3) shall be subject to revocation of his or her 26 status as a designated medical cannabis caregiver, medical

- 1 cannabis cultivation center agent, or medical cannabis
- dispensing organization agent for a period of 2 years from 2
- 3 the end of the sentence imposed.
- 4 (Source: P.A. 101-27, eff. 6-25-19; 102-98, eff. 7-15-21;
- 5 102-558, eff. 8-20-21.)
- 6 (625 ILCS 5/11-502.15)
- 7 Sec. 11-502.15. Possession of adult use cannabis in a
- 8 motor vehicle.
- 9 (a) No driver may use cannabis within the passenger area
- 10 of any motor vehicle upon a highway in this State.
- (b) No driver may possess cannabis within any area of any 11
- 12 motor vehicle upon a highway in this State except in a secured,
- sealed or resealable, odor-proof, child-resistant cannabis 13
- 14 container that is inaccessible.
- 15 (c) No passenger may possess cannabis within any passenger
- area of any motor vehicle upon a highway in this State except 16
- 17 in secured, sealed or resealable,
- child-resistant cannabis container that is inaccessible. 18
- 19 (d) Any person who knowingly violates subsection (a), (b),
- or (c) of this Section commits a Class A misdemeanor. 2.0
- 21 (Source: P.A. 101-27, eff. 6-25-19; 102-98, eff. 7-15-21.)
- 22 Section 40. The Tobacco Accessories and Smoking Herbs
- 23 Control Act is amended by changing Section 2 as follows:

- 1 (720 ILCS 685/2) (from Ch. 23, par. 2358-2)
- 2 Sec. 2. Purpose. The sale and possession of marijuana,
- 3 hashish, cocaine, opium, and their derivatives, is not only
- 4 prohibited by Illinois Law, but the use of these substances
- 5 has been deemed injurious to the health of the user.
- 6 It has further been determined by the Surgeon General of
- 7 the United States that the use of tobacco is hazardous to human
- 8 health.
- 9 The ready availability of smoking herbs to persons under
- 10 21 years of age could lead to the use of tobacco and illegal
- 11 drugs.
- 12 It is in the best interests of the citizens of the State of
- 13 Illinois to seek to prohibit the spread of illegal drugs,
- 14 tobacco or smoking materials to persons under 21 years of age.
- 15 The prohibition of the sale of tobacco and snuff accessories
- and smoking herbs to persons under 21 years of age would help
- 17 to curb the usage of illegal drugs and tobacco products, among
- our youth.
- 19 (Source: P.A. 101-2, eff. 7-1-19.)
- 20 Section 99. Effective date. This Act takes effect upon
- 21 becoming law.".