



Sen. Kimberly A. Lightford

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LRB103 35932 RJT 74139 a

1 AMENDMENT TO HOUSE BILL 4293

2 AMENDMENT NO. _____. Amend House Bill 4293, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 1. Short title. This Act may be cited as the Hemp
6 Consumer Products Act.

7 Section 5. Definitions. In this Act:

8 "Accreditation body" means an impartial non-profit
9 organization that operates in conformance with the
10 International Organization for Standardization
11 (ISO)/International Electrotechnical Commission (IEC)
12 standard 17011 and is a signatory to the International
13 Laboratory Accreditation Cooperation (ILAC) Mutual Recognition
14 Arrangement (MRA) for Testing.

15 "Artificially derived cannabinoid" means a cannabinoid
16 that is created by a chemical or physical reaction that

1 changes the molecular structure of any chemical substance
2 derived from Cannabis sativa.

3 "Department" means the Department of Agriculture.

4 "Director" means the Director of Agriculture.

5 "Hemp cannabinoid" means a naturally occurring
6 phytocannabinoid derived from the hemp plant that does not
7 have an intoxicating effect on the mind and body, as
8 determined by the Department by rule, including:

- 9 (1) cannabidiol (CBD);
10 (2) cannabichromene (CBC);
11 (3) cannabicitran (CBT);
12 (4) cannabicyclol (CBL);
13 (5) cannabielsoin (CBE);
14 (6) cannabigerol (CBG);
15 (7) cannabidivarin (CBDV); or
16 (8) cannabiol (CBN).

17 "Hemp consumer CBD product" means a product offered for
18 sale or distribution that:

19 (1) contains naturally occurring hemp
20 phytocannabinoids;

21 (2) is intended for consumption by any means,
22 including, but not limited to, oral ingestion, inhalation,
23 smoking, or topical absorption;

24 (3) contains a total tetrahydrocannabinol
25 concentration of no greater than:

26 (a) 0.3% for any intermediate or finished plant

1 product or material, or any hemp consumer CBD product
2 intended for consumption by inhalation or smoking; or

3 (b) 0.5 milligrams per serving or individual
4 product unit, and 2 milligrams per package for
5 products sold in multiple servings or units, for any
6 beverage, food, oil, ointment, tincture, topical
7 formation, or any other product that is intended for
8 human or animal consumption by means other than
9 inhalation or smoking; and

10 (4) contains a total hemp cannabinoid concentration
11 that is at least 25 times greater than the total
12 tetrahydrocannabinol concentration per serving and per
13 package.

14 "Hemp consumer CBD product registrant" means a person or
15 entity that manufactures, processes, packages, handles,
16 distributes or otherwise adds value to the hemp consumer CBD
17 product, and made the first sale of the hemp consumer CBD
18 product in Illinois to an Illinois wholesaler, processor,
19 distributor, retailer, or consumer, or as otherwise defined by
20 rule. A hemp consumer CBD product registrant is required to
21 register hemp consumer CBD products with the Department of
22 Agriculture prior to sale of hemp consumer CBD products in
23 Illinois.

24 "Hemp consumer products processor" means a person or
25 entity located in Illinois licensed to source industrial hemp
26 plant material from a licensed state, tribal, or USDA hemp

1 cultivator, and process, manufacture, and distribute hemp
2 products for human or animal consumption.

3 "Hemp-derived intoxicating product" means a beverage,
4 food, oil, ointment, tincture, topical formulation, or other
5 product intended for human or animal consumption that is
6 derived from hemp extract and does not contain more than 5
7 milligrams per serving or 10 milligrams per package of delta-9
8 THC derived from any naturally occurring cannabinoids found in
9 hemp that may only be offered for sale at a dispensing
10 organization under the Cannabis Regulation and Tax Act.

11 "Scope of accreditation" means a document issued by an
12 accreditation body that attests to a testing laboratory's
13 competence to carry out specific testing and analysis.

14 "Synthetic cannabinoid" means a cannabinoid-like compound
15 that was produced using chemical synthesis, chemical
16 modification, or chemical conversion, including in vitro
17 biosynthesis or other bioconversion of such a method.
18 "Synthetic cannabinoid" includes cannabinoids converted from
19 one chemical structure into another, such as
20 tetrahydrocannabinol produced by the conversion of
21 cannabidiol.

22 "Testing laboratory" means an independent, third-party
23 laboratory approved and registered with the Department that is
24 contracted to test hemp consumer CBD products. A testing
25 laboratory may include laboratories approved by the Department
26 under the Cannabis Regulation and Tax Act or a laboratory

1 operated by the State.

2 "Tetrahydrocannabinol" or "THC" means any naturally
3 occurring or synthetic tetrahydrocannabinol, including its
4 salts, isomers, and salts of isomers whenever the existence of
5 such salts, isomers, and salts of isomers is possible within
6 the specific chemical designation and any preparation,
7 mixture, or substance containing, or mixed or infused with,
8 any detectable amount of tetrahydrocannabinol or
9 tetrahydrocannabinolic acid, including, but not limited to,
10 delta-8-tetrahydrocannabinol, delta-9-tetrahydrocannabinol,
11 delta-10-tetrahydrocannabinol, tetrahydrocannabinolic acid,
12 tetrahydrocannabipheryl, or hexahydrocannabinol, however
13 derived, or any other substance determined to have similar
14 intoxicating effects on the mind or body by the Department. As
15 used in this definition, "isomer" means the optical, position,
16 and geometric isomers.

17 Section 10. Prohibitions; compliance.

18 (a) Beginning on the effective date of this Act, no
19 person, retailer, or entity shall distribute for sale,
20 manufacture, sell, offer for sale, market, or advertise any
21 hemp product intended for human or animal consumption within
22 this State unless the hemp product meets the definition of
23 hemp consumer CBD product, is sold by a licensed cannabis
24 business establishment under the Cannabis Regulation and Tax
25 Act or Compassionate Use of Medical Cannabis Act, or is sold to

1 or purchased by an industrial hemp processor or hemp consumer
2 processor licensee for use in the manufacture of hemp products
3 intended for human or animal consumption.

4 (b) Effective July 1, 2025 or upon the first date that a
5 hemp consumer CBD product registration application is made
6 available by the Department, whichever is sooner, all hemp
7 consumer CBD products shall comply with all of the hemp
8 consumer CBD product requirements of this Act.

9 (c) A product that has a THC concentration greater than
10 the limits set forth for hemp consumer CBD products as defined
11 in this Act shall be regulated as cannabis as defined in the
12 Cannabis Regulation and Tax Act, whether or not the product is
13 made with or derived from hemp, industrial hemp, or derived
14 from natural or synthetic sources unless otherwise provided
15 under this Act.

16 (d) A product derived from hemp cannabinoids and sold by a
17 cannabis business establishment as authorized by the Cannabis
18 Regulation and Tax Act shall be cannabis as that term is used
19 under the Cannabis Regulation and Tax Act and may only be sold
20 by a licensed dispensing organization.

21 (e) Notwithstanding subsection (a), until January 20,
22 2025, any beverage derived from hemp may be offered for sale or
23 sold by (i) a person licensed under the Liquor Control Act as a
24 retailer or a manufacturer that has retail privileges whose
25 total sales of alcohol equal 90% or more of total sales or (ii)
26 an industrial hemp processor or hemp consumer product

1 processor who also holds retail privileges as a manufacturer
2 as provided under the Liquor Control Act. No beverage derived
3 from hemp may be given, sold, transferred, or delivered, with
4 or without remuneration, to any person under 21 years of age. A
5 retailer subject to this subsection (e) shall refuse to sell
6 any beverage derived from hemp to any person unless the person
7 produces valid identification showing that the person is 21
8 years of age or older, which must be verified at the point of
9 sale. Any hemp-derived beverages subject to this subsection
10 (e) may contain only up to 10 milligrams per individual
11 container of delta-9-tetrahydrocannabinol derived from any
12 naturally occurring cannabinoids found in hemp.

13 Section 15. Hemp consumer product processors; applications
14 and licensing.

15 (a) By January 1, 2025, the Department shall create
16 applicable rules, guidance, and forms for licensing hemp
17 consumer products processors and a process to transition
18 industrial hemp processors registered under the Industrial
19 Hemp Act that processes or manufactures products derived from
20 hemp intended for human or animal consumption to a hemp
21 consumer product license.

22 (b) An application for licensure shall be submitted to the
23 Department on a form prescribed by the Department, which shall
24 include:

25 (1) the name, address, email address, and telephone

1 number of the applicant;

2 (2) identification of the facility that will be used
3 for the processing, manufacturing, distribution, or retail
4 sale of hemp, as applicable;

5 (3) a copy of the current local zoning ordinance or
6 permit and verification that the proposed hemp consumer
7 products processor is in compliance with the local zoning
8 rules and distance limitations established by the local
9 jurisdiction for hemp consumer products processing;

10 (4) the federal employer identification number of the
11 applicant;

12 (5) a copy and description of any other license or
13 licenses issued by state or federal authorities related to
14 hemp or cannabis operations or ancillary services;

15 (6) a summary of the sources of industrial processes,
16 hemp materials, hemp consumer CBD products, and hemp
17 extract to be used, as applicable;

18 (7) a description of any other businesses or business
19 activities conducted on the premises to be licensed;

20 (8) identification of the person or persons with the
21 ability to direct the activity of the applicant or
22 licensee, including principals, officers, or others with
23 such control; and

24 (9) any other information required by the Department.

25 (c) The Department may reject or deny an application if it
26 determines that the information contained therein does not

1 meet the requirements or is incomplete, false, inaccurate, or
2 omits a material fact.

3 (f) Licenses shall not be transferable or assignable
4 without prior written approval of the Department including,
5 without limitation, to another licensee.

6 (g) Licenses are valid for a period of one year and must be
7 renewed annually at a fee of \$5,000 or as otherwise determined
8 by rule.

9 (h) The Department may revoke any license issued under
10 this Act for failure to adhere to the requirements of this Act
11 and the rules adopted by the Department.

12 Section 20. Requirements for hemp consumer products
13 processor licensees.

14 (a) The Department shall license and regulate hemp
15 consumer products processors for the purpose of allowing
16 processors to obtain and source lawful industrial hemp and
17 hemp plant materials for manufacturing and processing finished
18 hemp consumer products in accordance with this Act.

19 (b) All hemp consumer products processors shall:

20 (1) maintain sufficient records to demonstrate that
21 any hemp or hemp extract used by the licensee was grown,
22 derived, extracted, and transported in accordance with
23 applicable laws and licensing requirements of the
24 jurisdiction or jurisdictions from which such hemp or hemp
25 extract was sourced and for hemp received from an

1 out-of-state grower, processors shall also maintain
2 records of the out-of-state grower registration or license
3 number in the respective jurisdiction;

4 (4) keep all designated extracting and manufacturing
5 areas safe and sanitary, including, but not limited to,
6 ensuring that those areas are adequately lit, cleaned, and
7 smoke-free;

8 (5) not use, in the extraction or manufacturing of any
9 hemp consumer CBD products, synthetic cannabinoids,
10 artificially derived cannabinoids, or
11 tetrahydrocannabinol created through isomerization; and

12 (6) maintain any and all records required by this Act
13 for at least 3 years and immediately produce such records
14 upon request of the Department.

15 (c) A hemp product processor shall not offer for sale or
16 distribution products to a location where prohibited by law or
17 to a business that is not permitted to sell products made by
18 the licensee.

19 (d) The Department may conduct announced or unannounced
20 premises or product inspections, including, but not limited
21 to, inspection, audits, sampling, and testing of hemp, hemp
22 extract, hemp consumer CBD products, or any solvents,
23 chemicals, or materials used by the licensee.

24 (e) A hemp consumer product processor shall comply with
25 any other requirements or prohibitions set by administrative
26 rule by the Department.

1 Section 25. Registration of hemp consumer CBD products.

2 (a) Upon the availability of a hemp consumer CBD product
3 registration application, all establishments, including
4 physical and online establishments, shall register all hemp
5 consumer CBD products offered for sale in the State with the
6 Department. Hemp consumer CBD products must comply with
7 registration requirements under this Act.

8 (b) The Department shall create an online hemp consumer
9 CBD product registration application. The Department may
10 reject an application if the product hemp consumer CBD product
11 does not meet the definition of a hemp consumer CBD product or
12 meet any other hemp consumer CBD product requirements under
13 this Act or under rules.

14 (c) The product registration application shall include,
15 but is not limited to:

- 16 (1) the name of the hemp consumer CBD product;
17 (2) recently conducted certificate of analysis; and
18 (3) depiction of the label on the hemp consumer CBD
19 product.

20 (d) The Department shall maintain a list of registered
21 hemp consumer CBD products on its website.

22 (e) A new registration shall be submitted if there is a
23 change to the name, label, recipe, or chemical composition of
24 the hemp consumer CBD product.

25 (f) Any registered hemp consumer CBD product offered for

1 sale in the State may be subject to product inspection and
2 sampling by the Department to ensure compliance with the
3 registration requirements. Any retailer of a hemp consumer CBD
4 product shall provide the Department with a reasonable sample
5 upon request not to exceed 2 units per product type.

6 (g) The Department may deregister any registered hemp
7 consumer CBD product that is found not to be in compliance with
8 the Act. The Department shall maintain a list of hemp consumer
9 CBD product that have been deregistered on its website. Retail
10 establishments shall have 30 days to remove from sale all hemp
11 consumer CBD products that have been deregistered.

12 (h) The Department may prohibit a hemp consumer CBD
13 product registrant from registering hemp consumer CBD products
14 if the registrant has had 3 hemp consumer CBD products
15 deregistered in a one-year period, or as otherwise provided
16 for by rule.

17 (i) The Department shall set a fee of \$150 and shall be
18 deposited into the Industrial Hemp Regulatory Fund. The
19 Department may adjust the fee by rule.

20 (j) The Department may promulgate rules regarding the
21 registration of hemp consumer CBD products.

22 (k) Retailers or entities that offer for sale products
23 that are found to meet the definition of a hemp consumer CBD
24 product but are not registered are subject to a \$500 fine per
25 product.

1 Section 30. Requirements of hemp consumer CBD products.

2 (a) All hemp consumer CBD products manufactured,
3 processed, distributed, sold, or offered for sale in this
4 State shall be subject to the following minimum requirements:

5 (1) the hemp consumer CBD product shall:

6 (A) contain naturally occurring hemp
7 phytocannabinoids;

8 (B) be intended for consumption by any means,
9 including, but not limited to, oral ingestion,
10 inhalation, smoking, or topical absorption;

11 (C) contain a total tetrahydrocannabinol
12 concentration of no greater than:

13 (i) 0.3% for any intermediate or finished
14 plant product or material, or any hemp consumer
15 CBD product intended for consumption by inhalation
16 or smoking; or

17 (ii) 0.5 milligrams per serving or individual
18 product unit, and 2 milligrams per package for
19 products sold in multiple servings or units, for
20 any beverage, food, oil, ointment, tincture,
21 topical formation, or any other product that is
22 intended for human or animal consumption by means
23 other than inhalation or smoking;

24 (D) contain an amount of total hemp cannabinoid
25 concentration that is at least 25 times greater than
26 the amount of total tetrahydrocannabinol concentration

1 per serving and per package;

2 (2) not contain liquor, wine, beer, or cider or meet
3 the definition of alcoholic liquor under the Liquor
4 Control Act of 1934;

5 (3) not contain tobacco or nicotine in the product;

6 (4) accurately reflect testing results and not contain
7 less than 90% or more than 110% of the concentration of
8 total cannabinoid content as listed on the product label;

9 (5) be prepackaged and not added to food or any other
10 consumable products at the point of sale;

11 (6) comply with product testing standards set forth in
12 this Act; and

13 (7) not contain synthetic cannabinoids, artificially
14 derived cannabinoids.

15 (b) All concentrated hemp consumer CBD products intended
16 for inhalation or vaporization shall meet the following
17 additional requirements:

18 (1) except for hemp-derived terpenes, excipients and
19 ingredients must be pharmaceutical grade, unless otherwise
20 approved by the Department, and shall not include:

21 (A) synthetic terpenes;

22 (B) polyethylene glycol (PEG);

23 (C) vitamin E acetate;

24 (D) medium chain triglycerides (MCT oil);

25 (E) medicinal compounds;

26 (F) illegal or controlled substances;

- 1 (G) artificial food coloring;
- 2 (H) benzoic acid;
- 3 (I) diketones; or
- 4 (J) any other compound or ingredient as determined
- 5 by the Department in rules; and
- 6 (2) not contain any flavors or flavoring agents,
- 7 except for hemp-derived terpenes;

8 Section 35. Packaging and labeling of hemp consumer CBD

9 products.

10 (a) All hemp consumer CBD products distributed or offered

11 for retail sale in this State shall include the following

12 information on the product label or packaging:

13 (2) a list of all ingredients in descending order of

14 predominance by weight in the product;

15 (3) The serving size and number of servings per

16 package or container, including the milligrams per serving

17 of detectable:

18 (A) individual hemp cannabinoids;

19 (B) total hemp cannabinoids;

20 (C) individual THC cannabinoids;

21 (D) total THC;

22 (E) any other cannabinoids;

23 (F) an expiration date;

24 (H) the name of the hemp processor, whether

25 in-state or out-of-state;

1 (K) a means for reporting serious adverse events;
2 and

3 (L) any other marking, statement, or symbol
4 required by the Department, by rule.

5 (b) No hemp consumer CBD product offered for retail sale
6 shall be made attractive to children, imitate a candy label,
7 widely available food label, or use fruit, cartoons, or other
8 images popularly used to advertise to children or otherwise be
9 marketed to children.

10 (c) No hemp consumer CBD product shall be marketed,
11 advertised, or offered for sale in a manner that would cause a
12 reasonable consumer:

13 (1) to be confused as to whether the hemp consumer CBD
14 product is trademarked, marked or labeled in a manner that
15 violates any federal trademark law or regulation; or

16 (2) to believe that a hemp consumer CBD product is
17 cannabis, or medical cannabis, or that a licensee is
18 authorized to sell or dispense cannabis or medical
19 cannabis, as those terms are defined in the Cannabis
20 Regulation and Tax Act or the Compassionate Use of Medical
21 Cannabis Program Act.

22 (d) All hemp consumer CBD products offered for retail sale
23 shall include the following warnings on the product label or
24 packaging, in a manner that is clear and conspicuous:

25 (1) this product must be kept out of the reach of
26 children and pets;

1 (2) this product has not been evaluated or approved by
2 the Food and Drug Administration for safety or efficacy;

3 (3) if you are pregnant or nursing you should consult
4 your health care provider before use;

5 (4) for hemp consumer CBD products intended to be
6 inhaled or vaporized, a warning stating that smoking or
7 vaping is hazardous to your health; and

8 (5) any other warning required by the Department.

9 Section 40. Laboratory testing requirements for hemp
10 consumer CBD products.

11 (a) The Department shall approve hemp consumer CBD product
12 testing laboratories to be contracted by licensees under this
13 Act for testing of hemp consumer CBD products. All approved
14 testing laboratories shall be listed on the Department's
15 website. Out-of-state laboratories may be approved by the
16 Department.

17 (b) All approved testing laboratories shall meet the
18 following minimum requirements:

19 (1) maintain ISO/IEC 17025 accreditation for the
20 physical testing location and for the testing of one or
21 more of the analytes determined by the department;

22 (2) maintain a valid scope of accreditation, issued by
23 an accreditation body, that attests to the laboratory's
24 competence to perform testing of hemp consumer CBD
25 products;

1 (3) maintain method validation records for all testing
2 conducted;

3 (4) maintain standard operating procedures for the
4 sampling of hemp consumer CBD products; and

5 (5) maintain testing methodologies to ascertain the
6 presence of synthetic cannabinoids, artificially derived
7 cannabinoids, or cannabinoids created through
8 isomerization, including tetrahydrocannabinol created
9 through isomerization.

10 (c) Hemp cannabinoid products shall not be sold within
11 this State if hemp cannabinoid, THC, or other contaminants are
12 detected at levels greater than provided for by this Act or
13 rules or guidance adopted by the Department.

14 (d) Hemp cannabinoid products shall be considered
15 adulterated and shall not be sold within this State if there is
16 the presence of synthetic cannabinoids, artificially derived
17 cannabinoids, or cannabinoids created through isomerization,
18 including tetrahydrocannabinol created through isomerization.

19 (e) The Department may impose additional testing
20 requirements, including, but not limited to, testing for
21 additional analytes, setting stricter analyte, and mandating
22 the use of specific sampling methodologies per lot, analyte
23 per process, or batch manufactured.

24 (f) The Department shall make available a list of required
25 analytes, their acceptable limits, and approved testing
26 methods on the Department's website and in any other manner as

1 determined by the Department.

2 (g) The total tetrahydrocannabinol concentration for hemp
3 consumer CBD products shall not exceed the limits established
4 in this Act.

5 (h) If a hemp consumer CBD product fails testing, the
6 processor may elect to reformulate the failing batch to reduce
7 the total tetrahydrocannabinol of the batch to comply with the
8 THC limits established by this Act. If the reformulated batch
9 still exceeds the THC limits, the processor shall destroy the
10 batch.

11 (i) If a hemp consumer CBD product is found to contain
12 levels of any pathogen, toxicant, residual solvent, metal, or
13 pesticide not enumerated in this Section or by other State
14 law, then the product may not be sold in this State.

15 Section 45. Advertising requirements. An advertisement for
16 a hemp consumer CBD product shall not:

17 (1) include any false or misleading statements,
18 images, or other content, including, but not limited to,
19 any health claims;

20 (2) contain claims that hemp consumption or a hemp
21 consumer CBD product can, or is intended to, diagnose,
22 cure, mitigate, treat, or prevent disease;

23 (3) lead a reasonable consumer to believe that a hemp
24 consumer CBD product is cannabis or medical cannabis,
25 including any product that exceeds the THC limits

1 established under this Act for lawful hemp consumer CBD
2 products, or that a licensee is authorized to sell or
3 dispense cannabis or medical cannabis; or

4 (4) have the purpose or effect of targeting or being
5 attractive to individuals under 21 years of age. The use
6 of images of children or minors consuming hemp consumer
7 CBD products and the use of words, designs, or brands that
8 resemble products commonly associated with children,
9 minors, or marketed to children or minors, is prohibited.

10 Section 50. Sale of hemp-derived products to cannabis
11 business establishments.

12 (a) A hemp product processor may sell final hemp-derived
13 intoxicating products to a craft grower and infuser
14 organization licensed under the Cannabis Regulation and Tax
15 Act to be sold as a cannabis-infused product to a dispensing
16 organization.

17 (b) A hemp-derived intoxicating product may contain up to
18 5 milligrams per serving and 10 milligrams per package of
19 delta-9-tetrahydrocannabinol. A hemp-derived intoxicating
20 product may not contain any other form of THC except
21 delta-9-tetrahydrocannabinol.

22 (c) A hemp-derived intoxicating product received by a
23 craft grower or infuser must comply with all requirements of
24 the Cannabis Regulation and Tax Act before sale to a
25 dispensing organization.

1 (d) The sale of hemp-derived intoxicating product to
2 cannabis business establishments shall be subject to any
3 requirements and prohibitions set by administrative rule by
4 the Department.

5 (e) A hemp-derived intoxicating product, in addition to
6 meeting any label requirement of the Cannabis Regulation and
7 Tax Act, must indicate on the label that the product was
8 derived from hemp.

9 Section 55. License suspension; revocation; other
10 penalties.

11 (a) Notwithstanding any other criminal penalties related
12 to the unlawful possession of cannabis, the Department may
13 revoke, suspend, place on probation, reprimand, issue cease
14 and desist orders, refuse to issue or renew a license, or take
15 any other disciplinary or nondisciplinary action as the
16 Department may deem proper with regard to a hemp consumer
17 product processor, including fines not to exceed \$15,000 for
18 each violation of this Act or rules adopted under this Act.

19 (b) The Department, as the case may be, shall consider
20 licensee cooperation in any agency or other investigation in
21 its determination of penalties imposed under this Section.

22 (c) The procedures for disciplining a hemp consumer
23 product processor and for administrative hearings shall be
24 determined by rule, and shall provide for the review of final
25 decisions under the Administrative Review Law.

1 Section 60. Administration and enforcement; rules;
2 emergency rules; inspections.

3 (a) The Department shall administer and enforce this Act
4 and may adopt rules under the Illinois Administrative
5 Procedure Act for the purpose of administering and enforcing
6 this Act.

7 (b) The Department shall update, through official guidance
8 and publish publicly on its website, the cannabinoids that it
9 deems tetrahydrocannabinol or THC on or before January 1 and
10 July 1 of each calendar year.

11 (c) The Department may develop rules setting forth
12 labeling, packaging, and minimum testing requirements of
13 cannabinoid products.

14 (d) In order to provide for the expeditious and timely
15 implementation of the provisions of this Act, the Department
16 may adopt emergency rules in accordance with Section 5-45 of
17 the Illinois Administrative Procedure Act to the extent
18 necessary to administer the Department's responsibilities
19 under this Act. The adoption of emergency rules authorized by
20 this subsection (c) is deemed to be necessary for the public
21 interest, safety, and welfare to regulate consumer safety over
22 hemp consumer CBD products.

23 (e) The Department of Public Health, local health
24 departments, the Illinois State Police, local sheriff's
25 departments, municipal police departments, and the Department

1 of Revenue may inspect any business that manufactures,
2 processes, or offers for sale cannabinoid products in the
3 State if a formal complaint is registered with the appropriate
4 agency in order to ensure compliance with this Act. The
5 Department may inspect any business that manufactures,
6 processes, or offers for sale cannabinoid products in the
7 State to ensure compliance with this Act. The Department may
8 enter into intergovernmental agreements to enforce this Act
9 and any rules adopted under this Act.

10 Section 70. Temporary restraining order or injunction. The
11 Director, through the Attorney General or any unit of local
12 government, may file a complaint and apply to the circuit
13 court for, and the court upon hearing and for cause shown may
14 grant, a temporary restraining order or a preliminary or
15 permanent injunction restraining any person from violating
16 this Act.

17 Section 800. The Illinois Administrative Procedure Act is
18 amended by adding Section 5-45.55 as follows:

19 (5 ILCS 100/5-45.55 new)

20 Sec. 5-45.55. Emergency rulemaking; Hemp Consumer Products
21 Act. To provide for the expeditious and timely implementation
22 of the Hemp Consumer Products Act, emergency rules
23 implementing the Hemp Consumer Products Act may be adopted in

1 accordance with Section 5-45 by the Department of Agriculture.
2 The adoption of emergency rules authorized by Section 5-45 and
3 this Section is deemed to be necessary for the public
4 interest, safety, and welfare.

5 This Section is repealed one year after the effective date
6 of this amendatory Act of the 103rd General Assembly.

7 Section 805. The Illinois Procurement Code is amended by
8 changing Section 1-10 as follows:

9 (30 ILCS 500/1-10)

10 Sec. 1-10. Application.

11 (a) This Code applies only to procurements for which
12 bidders, offerors, potential contractors, or contractors were
13 first solicited on or after July 1, 1998. This Code shall not
14 be construed to affect or impair any contract, or any
15 provision of a contract, entered into based on a solicitation
16 prior to the implementation date of this Code as described in
17 Article 99, including, but not limited to, any covenant
18 entered into with respect to any revenue bonds or similar
19 instruments. All procurements for which contracts are
20 solicited between the effective date of Articles 50 and 99 and
21 July 1, 1998 shall be substantially in accordance with this
22 Code and its intent.

23 (b) This Code shall apply regardless of the source of the
24 funds with which the contracts are paid, including federal

1 assistance moneys. This Code shall not apply to:

2 (1) Contracts between the State and its political
3 subdivisions or other governments, or between State
4 governmental bodies, except as specifically provided in
5 this Code.

6 (2) Grants, except for the filing requirements of
7 Section 20-80.

8 (3) Purchase of care, except as provided in Section
9 5-30.6 of the Illinois Public Aid Code and this Section.

10 (4) Hiring of an individual as an employee and not as
11 an independent contractor, whether pursuant to an
12 employment code or policy or by contract directly with
13 that individual.

14 (5) Collective bargaining contracts.

15 (6) Purchase of real estate, except that notice of
16 this type of contract with a value of more than \$25,000
17 must be published in the Procurement Bulletin within 10
18 calendar days after the deed is recorded in the county of
19 jurisdiction. The notice shall identify the real estate
20 purchased, the names of all parties to the contract, the
21 value of the contract, and the effective date of the
22 contract.

23 (7) Contracts necessary to prepare for anticipated
24 litigation, enforcement actions, or investigations,
25 provided that the chief legal counsel to the Governor
26 shall give his or her prior approval when the procuring

1 agency is one subject to the jurisdiction of the Governor,
2 and provided that the chief legal counsel of any other
3 procuring entity subject to this Code shall give his or
4 her prior approval when the procuring entity is not one
5 subject to the jurisdiction of the Governor.

6 (8) (Blank).

7 (9) Procurement expenditures by the Illinois
8 Conservation Foundation when only private funds are used.

9 (10) (Blank).

10 (11) Public-private agreements entered into according
11 to the procurement requirements of Section 20 of the
12 Public-Private Partnerships for Transportation Act and
13 design-build agreements entered into according to the
14 procurement requirements of Section 25 of the
15 Public-Private Partnerships for Transportation Act.

16 (12) (A) Contracts for legal, financial, and other
17 professional and artistic services entered into by the
18 Illinois Finance Authority in which the State of Illinois
19 is not obligated. Such contracts shall be awarded through
20 a competitive process authorized by the members of the
21 Illinois Finance Authority and are subject to Sections
22 5-30, 20-160, 50-13, 50-20, 50-35, and 50-37 of this Code,
23 as well as the final approval by the members of the
24 Illinois Finance Authority of the terms of the contract.

25 (B) Contracts for legal and financial services entered
26 into by the Illinois Housing Development Authority in

1 connection with the issuance of bonds in which the State
2 of Illinois is not obligated. Such contracts shall be
3 awarded through a competitive process authorized by the
4 members of the Illinois Housing Development Authority and
5 are subject to Sections 5-30, 20-160, 50-13, 50-20, 50-35,
6 and 50-37 of this Code, as well as the final approval by
7 the members of the Illinois Housing Development Authority
8 of the terms of the contract.

9 (13) Contracts for services, commodities, and
10 equipment to support the delivery of timely forensic
11 science services in consultation with and subject to the
12 approval of the Chief Procurement Officer as provided in
13 subsection (d) of Section 5-4-3a of the Unified Code of
14 Corrections, except for the requirements of Sections
15 20-60, 20-65, 20-70, and 20-160 and Article 50 of this
16 Code; however, the Chief Procurement Officer may, in
17 writing with justification, waive any certification
18 required under Article 50 of this Code. For any contracts
19 for services which are currently provided by members of a
20 collective bargaining agreement, the applicable terms of
21 the collective bargaining agreement concerning
22 subcontracting shall be followed.

23 On and after January 1, 2019, this paragraph (13),
24 except for this sentence, is inoperative.

25 (14) Contracts for participation expenditures required
26 by a domestic or international trade show or exhibition of

1 an exhibitor, member, or sponsor.

2 (15) Contracts with a railroad or utility that
3 requires the State to reimburse the railroad or utilities
4 for the relocation of utilities for construction or other
5 public purpose. Contracts included within this paragraph
6 (15) shall include, but not be limited to, those
7 associated with: relocations, crossings, installations,
8 and maintenance. For the purposes of this paragraph (15),
9 "railroad" means any form of non-highway ground
10 transportation that runs on rails or electromagnetic
11 guideways and "utility" means: (1) public utilities as
12 defined in Section 3-105 of the Public Utilities Act, (2)
13 telecommunications carriers as defined in Section 13-202
14 of the Public Utilities Act, (3) electric cooperatives as
15 defined in Section 3.4 of the Electric Supplier Act, (4)
16 telephone or telecommunications cooperatives as defined in
17 Section 13-212 of the Public Utilities Act, (5) rural
18 water or waste water systems with 10,000 connections or
19 less, (6) a holder as defined in Section 21-201 of the
20 Public Utilities Act, and (7) municipalities owning or
21 operating utility systems consisting of public utilities
22 as that term is defined in Section 11-117-2 of the
23 Illinois Municipal Code.

24 (16) Procurement expenditures necessary for the
25 Department of Public Health to provide the delivery of
26 timely newborn screening services in accordance with the

1 Newborn Metabolic Screening Act.

2 (17) Procurement expenditures necessary for the
3 Department of Agriculture, the Department of Financial and
4 Professional Regulation, the Department of Human Services,
5 and the Department of Public Health to implement the
6 Compassionate Use of Medical Cannabis Program and Opioid
7 Alternative Pilot Program requirements and ensure access
8 to medical cannabis for patients with debilitating medical
9 conditions in accordance with the Compassionate Use of
10 Medical Cannabis Program Act.

11 (18) This Code does not apply to any procurements
12 necessary for the Department of Agriculture or ~~7~~ the
13 Department of Financial and Professional Regulation, ~~the~~
14 ~~Department of Human Services, the Department of Commerce~~
15 ~~and Economic Opportunity, and the Department of Public~~
16 ~~Health~~ to implement the Cannabis Regulation and Tax Act
17 and the Department of Agriculture to implement the Hemp
18 Consumer Products Act, if the applicable agency has made a
19 good faith determination that it is necessary and
20 appropriate for the expenditure to fall within this
21 exemption and if the process is conducted in a manner
22 substantially in accordance with the requirements of
23 Sections 20-160, 25-60, 30-22, 50-5, 50-10, 50-10.5,
24 50-12, 50-13, 50-15, 50-20, 50-21, 50-35, 50-36, 50-37,
25 50-38, and 50-50 of this Code; however, for Section 50-35,
26 compliance applies only to contracts or subcontracts over

1 \$100,000. Notice of each contract entered into under this
2 paragraph (18) that is related to the procurement of goods
3 and services identified in paragraph (1) through (9) of
4 this subsection shall be published in the Procurement
5 Bulletin within 14 calendar days after contract execution.
6 The Chief Procurement Officer shall prescribe the form and
7 content of the notice. Each agency shall provide the Chief
8 Procurement Officer, on a monthly basis, in the form and
9 content prescribed by the Chief Procurement Officer, a
10 report of contracts that are related to the procurement of
11 goods and services identified in this subsection. At a
12 minimum, this report shall include the name of the
13 contractor, a description of the supply or service
14 provided, the total amount of the contract, the term of
15 the contract, and the exception to this Code utilized. A
16 copy of any or all of these contracts shall be made
17 available to the Chief Procurement Officer immediately
18 upon request. The Chief Procurement Officer shall submit a
19 report to the Governor and General Assembly no later than
20 November 1 of each year that includes, at a minimum, an
21 annual summary of the monthly information reported to the
22 Chief Procurement Officer. This exemption becomes
23 inoperative 7 ~~5~~ years after June 25, 2019 (the effective
24 date of Public Act 101-27).

25 (19) Acquisition of modifications or adjustments,
26 limited to assistive technology devices and assistive

1 technology services, adaptive equipment, repairs, and
2 replacement parts to provide reasonable accommodations (i)
3 that enable a qualified applicant with a disability to
4 complete the job application process and be considered for
5 the position such qualified applicant desires, (ii) that
6 modify or adjust the work environment to enable a
7 qualified current employee with a disability to perform
8 the essential functions of the position held by that
9 employee, (iii) to enable a qualified current employee
10 with a disability to enjoy equal benefits and privileges
11 of employment as are enjoyed by other similarly situated
12 employees without disabilities, and (iv) that allow a
13 customer, client, claimant, or member of the public
14 seeking State services full use and enjoyment of and
15 access to its programs, services, or benefits.

16 For purposes of this paragraph (19):

17 "Assistive technology devices" means any item, piece
18 of equipment, or product system, whether acquired
19 commercially off the shelf, modified, or customized, that
20 is used to increase, maintain, or improve functional
21 capabilities of individuals with disabilities.

22 "Assistive technology services" means any service that
23 directly assists an individual with a disability in
24 selection, acquisition, or use of an assistive technology
25 device.

26 "Qualified" has the same meaning and use as provided

1 under the federal Americans with Disabilities Act when
2 describing an individual with a disability.

3 (20) Procurement expenditures necessary for the
4 Illinois Commerce Commission to hire third-party
5 facilitators pursuant to Sections 16-105.17 and 16-108.18
6 of the Public Utilities Act or an ombudsman pursuant to
7 Section 16-107.5 of the Public Utilities Act, a
8 facilitator pursuant to Section 16-105.17 of the Public
9 Utilities Act, or a grid auditor pursuant to Section
10 16-105.10 of the Public Utilities Act.

11 (21) Procurement expenditures for the purchase,
12 renewal, and expansion of software, software licenses, or
13 software maintenance agreements that support the efforts
14 of the Illinois State Police to enforce, regulate, and
15 administer the Firearm Owners Identification Card Act, the
16 Firearm Concealed Carry Act, the Firearms Restraining
17 Order Act, the Firearm Dealer License Certification Act,
18 the Law Enforcement Agencies Data System (LEADS), the
19 Uniform Crime Reporting Act, the Criminal Identification
20 Act, the Illinois Uniform Conviction Information Act, and
21 the Gun Trafficking Information Act, or establish or
22 maintain record management systems necessary to conduct
23 human trafficking investigations or gun trafficking or
24 other stolen firearm investigations. This paragraph (21)
25 applies to contracts entered into on or after January 10,
26 2023 (the effective date of Public Act 102-1116) and the

1 renewal of contracts that are in effect on January 10,
2 2023 (the effective date of Public Act 102-1116).

3 (22) Contracts for project management services and
4 system integration services required for the completion of
5 the State's enterprise resource planning project. This
6 exemption becomes inoperative 5 years after June 7, 2023
7 (the effective date of the changes made to this Section by
8 Public Act 103-8). This paragraph (22) applies to
9 contracts entered into on or after June 7, 2023 (the
10 effective date of the changes made to this Section by
11 Public Act 103-8) and the renewal of contracts that are in
12 effect on June 7, 2023 (the effective date of the changes
13 made to this Section by Public Act 103-8).

14 (23) Procurements necessary for the Department of
15 Insurance to implement the Illinois Health Benefits
16 Exchange Law if the Department of Insurance has made a
17 good faith determination that it is necessary and
18 appropriate for the expenditure to fall within this
19 exemption. The procurement process shall be conducted in a
20 manner substantially in accordance with the requirements
21 of Sections 20-160 and 25-60 and Article 50 of this Code. A
22 copy of these contracts shall be made available to the
23 Chief Procurement Officer immediately upon request. This
24 paragraph is inoperative 5 years after June 27, 2023 (the
25 effective date of Public Act 103-103).

26 (24) ~~(22)~~ Contracts for public education programming,

1 noncommercial sustaining announcements, public service
2 announcements, and public awareness and education
3 messaging with the nonprofit trade associations of the
4 providers of those services that inform the public on
5 immediate and ongoing health and safety risks and hazards.

6 Notwithstanding any other provision of law, for contracts
7 with an annual value of more than \$100,000 entered into on or
8 after October 1, 2017 under an exemption provided in any
9 paragraph of this subsection (b), except paragraph (1), (2),
10 or (5), each State agency shall post to the appropriate
11 procurement bulletin the name of the contractor, a description
12 of the supply or service provided, the total amount of the
13 contract, the term of the contract, and the exception to the
14 Code utilized. The chief procurement officer shall submit a
15 report to the Governor and General Assembly no later than
16 November 1 of each year that shall include, at a minimum, an
17 annual summary of the monthly information reported to the
18 chief procurement officer.

19 (c) This Code does not apply to the electric power
20 procurement process provided for under Section 1-75 of the
21 Illinois Power Agency Act and Section 16-111.5 of the Public
22 Utilities Act. This Code does not apply to the procurement of
23 technical and policy experts pursuant to Section 1-129 of the
24 Illinois Power Agency Act.

25 (d) Except for Section 20-160 and Article 50 of this Code,
26 and as expressly required by Section 9.1 of the Illinois

1 Lottery Law, the provisions of this Code do not apply to the
2 procurement process provided for under Section 9.1 of the
3 Illinois Lottery Law.

4 (e) This Code does not apply to the process used by the
5 Capital Development Board to retain a person or entity to
6 assist the Capital Development Board with its duties related
7 to the determination of costs of a clean coal SNG brownfield
8 facility, as defined by Section 1-10 of the Illinois Power
9 Agency Act, as required in subsection (h-3) of Section 9-220
10 of the Public Utilities Act, including calculating the range
11 of capital costs, the range of operating and maintenance
12 costs, or the sequestration costs or monitoring the
13 construction of clean coal SNG brownfield facility for the
14 full duration of construction.

15 (f) (Blank).

16 (g) (Blank).

17 (h) This Code does not apply to the process to procure or
18 contracts entered into in accordance with Sections 11-5.2 and
19 11-5.3 of the Illinois Public Aid Code.

20 (i) Each chief procurement officer may access records
21 necessary to review whether a contract, purchase, or other
22 expenditure is or is not subject to the provisions of this
23 Code, unless such records would be subject to attorney-client
24 privilege.

25 (j) This Code does not apply to the process used by the
26 Capital Development Board to retain an artist or work or works

1 of art as required in Section 14 of the Capital Development
2 Board Act.

3 (k) This Code does not apply to the process to procure
4 contracts, or contracts entered into, by the State Board of
5 Elections or the State Electoral Board for hearing officers
6 appointed pursuant to the Election Code.

7 (l) This Code does not apply to the processes used by the
8 Illinois Student Assistance Commission to procure supplies and
9 services paid for from the private funds of the Illinois
10 Prepaid Tuition Fund. As used in this subsection (l), "private
11 funds" means funds derived from deposits paid into the
12 Illinois Prepaid Tuition Trust Fund and the earnings thereon.

13 (m) This Code shall apply regardless of the source of
14 funds with which contracts are paid, including federal
15 assistance moneys. Except as specifically provided in this
16 Code, this Code shall not apply to procurement expenditures
17 necessary for the Department of Public Health to conduct the
18 Healthy Illinois Survey in accordance with Section 2310-431 of
19 the Department of Public Health Powers and Duties Law of the
20 Civil Administrative Code of Illinois.

21 (Source: P.A. 102-175, eff. 7-29-21; 102-483, eff. 1-1-22;
22 102-558, eff. 8-20-21; 102-600, eff. 8-27-21; 102-662, eff.
23 9-15-21; 102-721, eff. 1-1-23; 102-813, eff. 5-13-22;
24 102-1116, eff. 1-10-23; 103-8, eff. 6-7-23; 103-103, eff.
25 6-27-23; 103-570, eff. 1-1-24; 103-580, eff. 12-8-23; revised
26 1-2-24.)

1 Section 810. The State Finance Act is amended by changing
2 Section 6z-112 as follows:

3 (30 ILCS 105/6z-112)

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

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

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

22 (c) On or before the 25th day of each calendar month, the
23 Department of Revenue shall prepare and certify to the State
24 Comptroller the transfer and allocations of stated sums of

1 money from the Cannabis Regulation Fund to other named funds
2 in the State treasury. The amount subject to transfer shall be
3 the amount of the taxes, license fees, other fees, and any
4 other amounts paid into the Fund during the second preceding
5 calendar month, minus the refunds made under subsection (b)
6 during the second preceding calendar month by the Department.
7 The transfers shall be certified as follows:

8 (1) The Department of Revenue shall first determine
9 the allocations which shall remain in the Cannabis
10 Regulation Fund, subject to appropriations, to pay for the
11 direct and indirect costs associated with the
12 implementation, administration, and enforcement of the
13 Cannabis Regulation and Tax Act by the Department of
14 Revenue, the Department of State Police, the Department of
15 Financial and Professional Regulation, the Department of
16 Agriculture, the Department of Public Health, the
17 Department of Commerce and Economic Opportunity, and the
18 Illinois Criminal Justice Information Authority, and the
19 Hemp Consumer Products Act by the Department of
20 Agriculture.

21 (2) After the allocations have been made as provided
22 in paragraph (1) of this subsection (c), of the remainder
23 of the amount subject to transfer for the month as
24 determined in this subsection (c), the Department shall
25 certify the transfer into the Cannabis Expungement Fund
26 1/12 of the fiscal year amount appropriated from the

1 Cannabis Expungement Fund for payment of costs incurred by
2 State courts, the Attorney General, State's Attorneys,
3 civil legal aid, as defined by Section 15 of the Public
4 Interest Attorney Assistance Act, and the Department of
5 State Police to facilitate petitions for expungement of
6 Minor Cannabis Offenses pursuant to Public Act 101-27, as
7 adjusted by any supplemental appropriation, plus
8 cumulative deficiencies in such transfers for prior
9 months.

10 (3) After the allocations have been made as provided
11 in paragraphs (1) and (2) of this subsection (c), the
12 Department of Revenue shall certify to the State
13 Comptroller and the State Treasurer shall transfer the
14 amounts that the Department of Revenue determines shall be
15 transferred into the following named funds according to
16 the following:

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

1 purposes shall be subject to appropriations.

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

10 (C) 25% shall be transferred to the Criminal
11 Justice Information Projects Fund to be used for the
12 purposes of the Restore, Reinvest, and Renew Program
13 to address economic development, violence prevention
14 services, re-entry services, youth development, and
15 civil legal aid, as defined by Section 15 of the Public
16 Interest Attorney Assistance Act. The Restore,
17 Reinvest, and Renew Program shall address these issues
18 through targeted investments and intervention programs
19 and promotion of an employment infrastructure and
20 capacity building related to the social determinants
21 of health in impacted community areas. Expenditures
22 for these purposes shall be subject to appropriations.

23 (D) 20% shall be transferred to the Department of
24 Human Services Community Services Fund, to be used to
25 address substance abuse and prevention and mental
26 health concerns, including treatment, education, and

1 prevention to address the negative impacts of
2 substance abuse and mental health issues, including
3 concentrated poverty, violence, and the historical
4 overuse of criminal justice responses in certain
5 communities, on the individual, family, and community,
6 including federal, State, and local governments,
7 health care institutions and providers, and
8 correctional facilities. Expenditures for these
9 purposes shall be subject to appropriations.

10 (E) 10% shall be transferred to the Budget
11 Stabilization Fund.

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

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

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

25 (e) Notwithstanding any other law to the contrary and
26 except as otherwise provided in this Section, this Fund is not

1 subject to sweeps, administrative charge-backs, or any other
2 fiscal or budgetary maneuver that would in any way transfer
3 any amounts from this Fund into any other fund of the State.

4 (f) The Cannabis Regulation Fund shall retain a balance of
5 \$1,000,000 for the purposes of administrative costs.

6 (g) In Fiscal Year 2024 the allocations in subsection (c)
7 of this Section shall be reviewed and adjusted if the General
8 Assembly finds there is a greater need for funding for a
9 specific purpose in the State as it relates to Public Act
10 101-27.

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

12 Section 815. The Cannabis Regulation and Tax Act is
13 amended by changing Sections 1-10, 15-155, 55-35, 60-10,
14 60-15, and 60-20 and by adding Sections 20-60, 30-30, 35-25,
15 and 55-5.5 as follows:

16 (410 ILCS 705/1-10)

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

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

22 "Adult Use Dispensing Organization License" means a
23 license issued by the Department of Financial and Professional
24 Regulation that permits a person to act as a dispensing

1 organization under this Act and any administrative rule made
2 in furtherance of this Act.

3 "Advertise" means to engage in promotional activities
4 including, but not limited to: newspaper, radio, Internet and
5 electronic media, and television advertising; the distribution
6 of fliers and circulars; billboard advertising; and the
7 display of window and interior signs. "Advertise" does not
8 mean exterior signage displaying only the name of the licensed
9 cannabis business establishment.

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

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

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

26 "Cannabis" means marijuana, hashish, and other substances

1 that are identified as including any parts of the plant
2 Cannabis sativa and including derivatives or subspecies, such
3 as indica, of all strains of cannabis, whether growing or not;
4 the seeds thereof, the resin extracted from any part of the
5 plant; and any compound, manufacture, salt, derivative,
6 mixture, or preparation of the plant, its seeds, or resin,
7 including tetrahydrocannabinol (THC) and all other naturally
8 produced cannabinol derivatives, whether produced directly or
9 indirectly by extraction, including, but not limited to, any
10 structural, optical, or geometric isomers of THC, or any
11 chemical compound that mimics THC; however, "cannabis" does
12 not include the mature stalks of the plant, fiber produced
13 from the stalks, oil or cake made from the seeds of the plant,
14 any other compound, manufacture, salt, derivative, mixture, or
15 preparation of the mature stalks (except the resin extracted
16 from it), fiber, oil or cake, or the sterilized seed of the
17 plant that is incapable of germination. "Cannabis" does not
18 include industrial hemp as defined and authorized under the
19 Industrial Hemp Act. "Cannabis" also means cannabis flower,
20 concentrate, and cannabis-infused products and any product
21 whether derived from natural or synthetic sources with a THC
22 concentration greater than the THC limit set forth in the Hemp
23 Consumer Products Act.

24 "Cannabis business establishment" means a cultivation
25 center, craft grower, processing organization, infuser
26 organization, dispensing organization, or transporting

1 organization.

2 "Cannabis concentrate" means a product derived from
3 cannabis that is produced by extracting cannabinoids,
4 including tetrahydrocannabinol (THC), from the plant through
5 the use of propylene glycol, glycerin, butter, olive oil, or
6 other typical cooking fats; water, ice, or dry ice; or butane,
7 propane, CO₂, ethanol, or isopropanol and with the intended
8 use of smoking or making a cannabis-infused product. The use
9 of any other solvent is expressly prohibited unless and until
10 it is approved by the Department of Agriculture.

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

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

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

1 "Cannabis paraphernalia" means equipment, products, or
2 materials intended to be used for planting, propagating,
3 cultivating, growing, harvesting, manufacturing, producing,
4 processing, preparing, testing, analyzing, packaging,
5 repackaging, storing, containing, concealing, ingesting, or
6 otherwise introducing cannabis into the human body.

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

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

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

25 "Community College Cannabis Vocational Training Pilot
26 Program faculty participant" means a person who is 21 years of

1 age or older, licensed by the Department of Agriculture, and
2 is employed or contracted by an Illinois community college to
3 provide student instruction using cannabis plants at an
4 Illinois community college ~~Community College~~.

5 "Community College Cannabis Vocational Training Pilot
6 Program faculty participant Agent Identification Card" means a
7 document issued by the Department of Agriculture that
8 identifies a person as a Community College Cannabis Vocational
9 Training Pilot Program faculty participant.

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

17 "Conditional Adult Use Cultivation Center License" means a
18 license awarded to top-scoring applicants for an Adult Use
19 Cultivation Center License that reserves the right to an Adult
20 Use Cultivation Center License if the applicant meets certain
21 conditions as determined by the Department of Agriculture by
22 rule, but does not entitle the recipient to begin growing,
23 processing, or selling cannabis or cannabis-infused products.

24 "Craft grower" means a facility operated by an
25 organization or business that is licensed by the Department of
26 Agriculture to cultivate, dry, cure, and package cannabis and

1 perform other necessary activities to make cannabis available
2 for sale at a dispensing organization or use at a processing
3 organization. A craft grower may contain up to 5,000 square
4 feet of canopy space on its premises for plants in the
5 flowering state. The Department of Agriculture may authorize
6 an increase or decrease of flowering stage cultivation space
7 in increments of 3,000 square feet by rule based on market
8 need, craft grower capacity, and the licensee's history of
9 compliance or noncompliance, with a maximum space of 14,000
10 square feet for cultivating plants in the flowering stage,
11 which must be cultivated in all stages of growth in an enclosed
12 and secure area. A craft grower may share premises with a
13 processing organization or a dispensing organization, or both,
14 provided each licensee stores currency and cannabis or
15 cannabis-infused products in a separate secured vault to which
16 the other licensee does not have access or all licensees
17 sharing a vault share more than 50% of the same ownership.

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

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

24 "Cultivation center" means a facility operated by an
25 organization or business that is licensed by the Department of
26 Agriculture to cultivate, process, transport (unless otherwise

1 limited by this Act), and perform other necessary activities
2 to provide cannabis and cannabis-infused products to cannabis
3 business establishments.

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

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

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

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

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

17 "Dispensing organization" means a facility operated by an
18 organization or business that is licensed by the Department of
19 Financial and Professional Regulation to acquire cannabis from
20 a cultivation center, craft grower, processing organization,
21 or another dispensary for the purpose of selling or dispensing
22 cannabis, cannabis-infused products, cannabis seeds,
23 paraphernalia, or related supplies under this Act to
24 purchasers or to qualified registered medical cannabis
25 patients and caregivers. As used in this Act, "dispensing
26 organization" includes a registered medical cannabis

1 organization as defined in the Compassionate Use of Medical
2 Cannabis Program Act or its successor Act that has obtained an
3 Early Approval Adult Use Dispensing Organization License.

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

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

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

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

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

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

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

25 (D) the area has an average unemployment rate, as
26 determined by the Illinois Department of Employment

1 Security, that is more than 120% of the national
2 unemployment average, as determined by the United
3 States Department of Labor, for a period of at least 2
4 consecutive calendar years preceding the date of the
5 application; and

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

9 "Early Approval Adult Use Cultivation Center License"
10 means a license that permits a medical cannabis cultivation
11 center licensed under the Compassionate Use of Medical
12 Cannabis Program Act as of the effective date of this Act to
13 begin cultivating, infusing, packaging, transporting (unless
14 otherwise provided in this Act), processing, and selling
15 cannabis or cannabis-infused product to cannabis business
16 establishments for resale to purchasers as permitted by this
17 Act as of January 1, 2020.

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

24 "Early Approval Adult Use Dispensing Organization at a
25 secondary site" means a license that permits a medical
26 cannabis dispensing organization licensed under the

1 Compassionate Use of Medical Cannabis Program Act as of the
2 effective date of this Act to begin selling cannabis or
3 cannabis-infused product to purchasers as permitted by this
4 Act on January 1, 2020 at a different dispensary location from
5 its existing registered medical dispensary location.

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

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

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

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

1 the residential building from the exterior; or

2 (2) a structure, such as a shed or greenhouse, that
3 lies on the same plot of land as a residential building
4 that (i) includes sleeping quarters and indoor plumbing
5 and (ii) is used as a primary residence by the person
6 cultivating 5 or fewer cannabis plants that are more than
7 5 inches tall, such as a shed or greenhouse. The structure
8 must remain locked when it is unoccupied by people.

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

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

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

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

23 "Individual" means a natural person.

24 "Infuser organization" or "infuser" means a facility
25 operated by an organization or business that is licensed by
26 the Department of Agriculture to directly incorporate cannabis

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

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

7 "Labor peace agreement" means an agreement between a
8 cannabis business establishment and any labor organization
9 recognized under the National Labor Relations Act, referred to
10 in this Act as a bona fide labor organization, that prohibits
11 labor organizations and members from engaging in picketing,
12 work stoppages, boycotts, and any other economic interference
13 with the cannabis business establishment. This agreement means
14 that the cannabis business establishment has agreed not to
15 disrupt efforts by the bona fide labor organization to
16 communicate with, and attempt to organize and represent, the
17 cannabis business establishment's employees. The agreement
18 shall provide a bona fide labor organization access at
19 reasonable times to areas in which the cannabis business
20 establishment's employees work, for the purpose of meeting
21 with employees to discuss their right to representation,
22 employment rights under State law, and terms and conditions of
23 employment. This type of agreement shall not mandate a
24 particular method of election or certification of the bona
25 fide labor organization.

26 "Limited access area" means a room or other area under the

1 control of a cannabis dispensing organization licensed under
2 this Act and upon the licensed premises where cannabis sales
3 occur with access limited to purchasers, dispensing
4 organization owners and other dispensing organization agents,
5 or service professionals conducting business with the
6 dispensing organization, or, if sales to registered qualifying
7 patients, caregivers, provisional patients, and Opioid
8 Alternative Pilot Program participants licensed pursuant to
9 the Compassionate Use of Medical Cannabis Program Act are also
10 permitted at the dispensary, registered qualifying patients,
11 caregivers, provisional patients, and Opioid Alternative Pilot
12 Program participants.

13 "Member of an impacted family" means an individual who has
14 a parent, legal guardian, child, spouse, or dependent, or was
15 a dependent of an individual who, prior to the effective date
16 of this Act, was arrested for, convicted of, or adjudicated
17 delinquent for any offense that is eligible for expungement
18 under this Act.

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

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

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

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

12 "Possession limit" means the amount of cannabis under
13 Section 10-10 that may be possessed at any one time by a person
14 21 years of age or older or who is a registered qualifying
15 medical cannabis patient or caregiver under the Compassionate
16 Use of Medical Cannabis Program Act.

17 "Principal officer" includes a cannabis business
18 establishment applicant or licensed cannabis business
19 establishment's board member, owner with more than 1% interest
20 of the total cannabis business establishment or more than 5%
21 interest of the total cannabis business establishment of a
22 publicly traded company, president, vice president, secretary,
23 treasurer, partner, officer, member, manager member, or person
24 with a profit sharing, financial interest, or revenue sharing
25 arrangement. The definition includes a person with authority
26 to control the cannabis business establishment, a person who

1 assumes responsibility for the debts of the cannabis business
2 establishment and who is further defined in this Act.

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

10 "Processing organization" or "processor" means a facility
11 operated by an organization or business that is licensed by
12 the Department of Agriculture to either extract constituent
13 chemicals or compounds to produce cannabis concentrate or
14 incorporate cannabis or cannabis concentrate into a product
15 formulation to produce a cannabis product.

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

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

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

25 "Qualifying Applicant" means an applicant that submitted
26 an application pursuant to Section 15-30 that received at

1 least 85% of 250 application points available under Section
2 15-30 as the applicant's final score and meets the definition
3 of "Social Equity Applicant" as set forth under this Section.

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

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

14 "Resided" means an individual's primary residence was
15 located within the relevant geographic area as established by
16 2 of the following:

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

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

21 (3) school records;

22 (4) a voter registration card;

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

26 (6) a paycheck stub;

1 (7) a utility bill;

2 (8) tax records; or

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

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

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

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

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

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

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

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

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

24 (ii) have been arrested for, convicted of, or
25 adjudicated delinquent for any offense that is
26 eligible for expungement under this Act or member of

1 an impacted family.

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

7 "Tetrahydrocannabinol" or "THC" means any naturally
8 occurring or synthetic tetrahydrocannabinol, including its
9 salts, isomers, and salts of isomers whenever the existence of
10 such salts, isomers, and salts of isomers is possible within
11 the specific chemical designation and any preparation,
12 mixture, or substance containing, or mixed or infused with,
13 any detectable amount of tetrahydrocannabinol or
14 tetrahydrocannabinolic acid, including, but not limited to,
15 delta-8-tetrahydrocannabinol, delta-9-tetrahydrocannabinol,
16 delta-10-tetrahydrocannabinol, tetrahydrocannabinolic acid,
17 tetrahydrocannabipheryl, or hexahydrocannabinol, however
18 derived, or any other substance determined to have similar
19 intoxicating effects on the mind or body by the Department.
20 For the purposes of this definition, "isomer" means the
21 optical, position, and geometric isomers.

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

1 been awarded a license but for the one or more other
2 top-scoring applications that received the same number of
3 application points. Each application for which a Dispensary
4 Applicant was required to pay a required application fee for
5 the application period ending January 2, 2020 shall be
6 considered an application of a separate Tied Applicant.

7 "Tied Applicant Lottery" means the process established
8 under 68 Ill. Adm. Code 1291.50 for awarding Conditional Adult
9 Use Dispensing Organization Licenses pursuant to Sections
10 15-25 and 15-30 among Eligible Tied Applicants.

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

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

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

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

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

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

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

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

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

22 (410 ILCS 705/15-155)

23 Sec. 15-155. Unlicensed practice; violation; civil
24 penalty.

25 (a) In addition to any other penalty provided by law, any

1 person who practices, offers to practice, attempts to
2 practice, or holds oneself out to practice as a licensed
3 dispensing organization owner, principal officer,
4 agent-in-charge, or agent, cultivates, processes, distributes,
5 sells, or offers for sale cannabis, cannabis-infused products,
6 cannabis concentrates, or cannabis flower without being
7 licensed under this Act shall, in addition to any other
8 penalty provided by law, pay a civil penalty to the Department
9 of Financial and Professional Regulation in an amount not to
10 exceed \$10,000 for each offense as determined by the
11 Department. Each day a person engages in unlicensed practice
12 in violation of the provisions of this Section constitutes a
13 separate offense. The civil penalty shall be assessed by the
14 Department after a hearing is held in accordance with the
15 provisions set forth in this Act regarding the provision of a
16 hearing for the discipline of a licensee.

17 (b) The Department, the Attorney General, any State or
18 local law enforcement agency, or any State's Attorney has the
19 authority and power to investigate any and all unlicensed
20 activity.

21 (c) The civil penalty shall be paid within 60 days after
22 the effective date of the order imposing the civil penalty or
23 in accordance with the order imposing the civil penalty. The
24 order shall constitute a judgment and may be filed and
25 execution had thereon in the same manner as any judgment from
26 any court of this State.

1 (d) A violation of subsection (a) is an unlawful practice
2 under Section 2 of the Consumer Fraud and Deceptive Business
3 Practices Act. All remedies, penalties, and authority granted
4 to the Attorney General under that Act shall be available for
5 the enforcement of this Act.

6 (e) Nothing in this Section prohibits a unit of local
7 government from enacting a local law or ordinance to carry out
8 enforcement activities and assess civil penalties against
9 unlicensed cannabis sales.

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

11 (410 ILCS 705/20-60 new)

12 Sec. 20-60. Unlicensed practice; violation; civil penalty.

13 (a) In addition to any other penalty provided by law, any
14 person who practices, offers to practice, attempts to
15 practice, or holds oneself out to practice as a licensed
16 cultivation center, infuser, or craft grower owner, principal
17 officer, agent-in-charge, or agent or who cultivates,
18 processes, distributes, sells, or offers for sale cannabis,
19 cannabis-infused products, cannabis concentrates, or cannabis
20 flower without being licensed under this Act shall, in
21 addition to any other penalty provided by law, pay a civil
22 penalty to the Department of Agriculture in an amount not to
23 exceed \$10,000 for each offense. Each day any person engages
24 in unlicensed practice in violation of the provisions of this
25 Section constitutes a separate offense. The civil penalty

1 shall be assessed by the Department after a hearing is held in
2 accordance with the provisions set forth in this Act regarding
3 hearings for the discipline of a licensee.

4 (b) The Department, the Attorney General, any State or
5 local law enforcement agency, or any State's Attorney has the
6 authority and power to investigate any and all unlicensed
7 activity.

8 (c) The civil penalty shall be paid within 60 days after
9 the effective date of the order imposing the civil penalty or
10 in accordance with the order imposing the civil penalty. The
11 order shall constitute a judgment and may be filed and
12 execution had thereon in the same manner as any judgment from
13 any court of this State.

14 (d) In addition to any other remedies or penalties
15 provided by law, a unit of local government may suspend or
16 revoke any locally established licenses held by the person,
17 and prohibit the person from further operations and seize any
18 cannabis or THC product.

19 (410 ILCS 705/30-30)

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

21 (a) The operating documents of a craft grower shall
22 include procedures for the oversight of the craft grower, a
23 cannabis plant monitoring system including a physical
24 inventory recorded weekly, accurate recordkeeping, and a
25 staffing plan.

1 (b) A craft grower shall implement a security plan
2 reviewed by the Illinois State Police that includes, but is
3 not limited to: facility access controls, perimeter intrusion
4 detection systems, personnel identification systems, and a
5 24-hour surveillance system to monitor the interior and
6 exterior of the craft grower facility and that is accessible
7 to authorized law enforcement and the Department of
8 Agriculture in real time.

9 (c) All cultivation of cannabis by a craft grower must
10 take place in an enclosed, locked facility at the physical
11 address provided to the Department of Agriculture during the
12 licensing process. The craft grower location shall only be
13 accessed by the agents working for the craft grower, the
14 Department of Agriculture staff performing inspections, the
15 Department of Public Health staff performing inspections,
16 State and local law enforcement or other emergency personnel,
17 contractors working on jobs unrelated to cannabis, such as
18 installing or maintaining security devices or performing
19 electrical wiring, transporting organization agents as
20 provided in this Act, or participants in the incubator
21 program, individuals in a mentoring or educational program
22 approved by the State, or other individuals as provided by
23 rule. However, if a craft grower shares a premises with an
24 infuser or dispensing organization, agents from those other
25 licensees may access the craft grower portion of the premises
26 if that is the location of common bathrooms, lunchrooms,

1 locker rooms, or other areas of the building where work or
2 cultivation of cannabis is not performed. At no time may an
3 infuser or dispensing organization agent perform work at a
4 craft grower without being a registered agent of the craft
5 grower.

6 (d) A craft grower may not sell or distribute any cannabis
7 to any person other than a cultivation center, a craft grower,
8 an infuser organization, a dispensing organization, or as
9 otherwise authorized by rule.

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

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

20 (g) All cannabis harvested by a craft grower and intended
21 for distribution to a dispensing organization must be entered
22 into a data collection system, packaged and labeled under
23 Section 55-21, and, if distribution is to a dispensing
24 organization that does not share a premises with the
25 dispensing organization receiving the cannabis, placed into a
26 cannabis container for transport. All cannabis harvested by a

1 craft grower and intended for distribution to a cultivation
2 center, to an infuser organization, or to a craft grower with
3 which it does not share a premises, must be packaged in a
4 labeled cannabis container and entered into a data collection
5 system before transport.

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

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

14 (j) A craft grower shall comply with all State and any
15 applicable federal rules and regulations regarding the use of
16 pesticides.

17 (k) A craft grower or craft grower agent shall not
18 transport cannabis or cannabis-infused products to any other
19 cannabis business establishment without a transport
20 organization license unless:

21 (i) If the craft grower is located in a county with a
22 population of 3,000,000 or more, the cannabis business
23 establishment receiving the cannabis is within 2,000 feet
24 of the property line of the craft grower;

25 (ii) If the craft grower is located in a county with a
26 population of more than 700,000 but fewer than 3,000,000,

1 the cannabis business establishment receiving the cannabis
2 is within 2 miles of the craft grower; or

3 (iii) If the craft grower is located in a county with a
4 population of fewer than 700,000, the cannabis business
5 establishment receiving the cannabis is within 15 miles of
6 the craft grower.

7 (l) A craft grower may enter into a contract with a
8 transporting organization to transport cannabis to a
9 cultivation center, a craft grower, an infuser organization, a
10 dispensing organization, or a laboratory.

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

26 (n) It is unlawful for any person having a craft grower

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

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

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

5 (q) A craft grower must comply with any other requirements
6 or prohibitions set by administrative rule of the Department
7 of Agriculture.

8 (r) A craft grower may purchase a hemp-derived
9 intoxicating product from a hemp consumer product processor
10 and offer a hemp-derived intoxicating product for sale to
11 another cannabis business establishment. Once a hemp-derived
12 intoxicating product is delivered to a craft grower, it is
13 considered cannabis and the craft grower is responsible for
14 ensuring the product meets all requirements of this Act.

15 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
16 102-98, eff. 7-15-21; 102-538, eff. 8-20-21; 102-813, eff.
17 5-13-22.)

18 (410 ILCS 705/35-25)

19 Sec. 35-25. Infuser organization requirements;
20 prohibitions.

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

25 (b) An infuser shall implement a security plan reviewed by

1 the Illinois State Police that includes, but is not limited
2 to: facility access controls, perimeter intrusion detection
3 systems, personnel identification systems, and a 24-hour
4 surveillance system to monitor the interior and exterior of
5 the infuser facility and that is accessible to authorized law
6 enforcement, the Department of Public Health, and the
7 Department of Agriculture in real time.

8 (c) All processing of cannabis by an infuser must take
9 place in an enclosed, locked facility at the physical address
10 provided to the Department of Agriculture during the licensing
11 process. The infuser location shall only be accessed by the
12 agents working for the infuser, the Department of Agriculture
13 staff performing inspections, the Department of Public Health
14 staff performing inspections, State and local law enforcement
15 or other emergency personnel, contractors working on jobs
16 unrelated to cannabis, such as installing or maintaining
17 security devices or performing electrical wiring, transporting
18 organization agents as provided in this Act, participants in
19 the incubator program, individuals in a mentoring or
20 educational program approved by the State, local safety or
21 health inspectors, or other individuals as provided by rule.
22 However, if an infuser shares a premises with a craft grower or
23 dispensing organization, agents from these other licensees may
24 access the infuser portion of the premises if that is the
25 location of common bathrooms, lunchrooms, locker rooms, or
26 other areas of the building where processing of cannabis is

1 not performed. At no time may a craft grower or dispensing
2 organization agent perform work at an infuser without being a
3 registered agent of the infuser.

4 (d) An infuser may not sell or distribute any cannabis to
5 any person other than a dispensing organization, or as
6 otherwise authorized by rule.

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

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

26 (g) Infusers are subject to random inspections by the

1 Department of Agriculture, the Department of Public Health,
2 the Illinois State Police, local law enforcement, or as
3 provided by rule.

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

9 (i) An infuser organization may not be located in an area
10 zoned for residential use.

11 (j) An infuser or infuser agent shall not transport
12 cannabis or cannabis-infused products to any other cannabis
13 business establishment without a transport organization
14 license unless:

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

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

25 (iii) If the infuser is located in a county with a
26 population of fewer than 700,000, the cannabis business

1 establishment receiving the cannabis or cannabis-infused
2 product is within 15 miles of the infuser.

3 (k) An infuser may enter into a contract with a
4 transporting organization to transport cannabis to a
5 dispensing organization or a laboratory.

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

12 (m) It is unlawful for any person or entity having an
13 infuser organization license or any officer, associate,
14 member, representative or agent of such licensee to offer or
15 deliver money, or anything else of value, directly or
16 indirectly to any person having an Early Approval Adult Use
17 Dispensing Organization License, a Conditional Adult Use
18 Dispensing Organization License, an Adult Use Dispensing
19 Organization License, or a medical cannabis dispensing
20 organization license issued under the Compassionate Use of
21 Medical Cannabis Program Act, or to any person connected with
22 or in any way representing, or to any member of the family of,
23 such person holding an Early Approval Adult Use Dispensing
24 Organization License, a Conditional Adult Use Dispensing
25 Organization License, an Adult Use Dispensing Organization
26 License, or a medical cannabis dispensing organization license

1 issued under the Compassionate Use of Medical Cannabis Program
2 Act, or to any stockholders in any corporation engaged the
3 retail sales of cannabis, or to any officer, manager, agent,
4 or representative of the Early Approval Adult Use Dispensing
5 Organization License, a Conditional Adult Use Dispensing
6 Organization License, an Adult Use Dispensing Organization
7 License, or a medical cannabis dispensing organization license
8 issued under the Compassionate Use of Medical Cannabis Program
9 Act to obtain preferential placement within the dispensing
10 organization, including, without limitation, on shelves and in
11 display cases where purchasers can view products, or on the
12 dispensing organization's website.

13 (n) At no time shall an infuser organization or an infuser
14 agent perform the extraction of cannabis concentrate from
15 cannabis flower.

16 (o) An infuser may purchase a hemp-derived intoxicating
17 product from a hemp consumer product processor and offer a
18 hemp-derived intoxicating product for sale to another cannabis
19 business establishment. Once a hemp-derived intoxicating
20 product is delivered to an infuser, it is considered cannabis
21 and the infuser is responsible for ensuring the product meets
22 all requirements of this Act.

23 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
24 102-98, eff. 7-15-21; 102-538, eff. 8-20-21; 102-813, eff.
25 5-13-22.)

1 (410 ILCS 705/55-5.5 new)

2 Sec. 55-5.5. Use of hemp in cannabis-infused products.

3 (a) For purposes of this Section, "industrial hemp" has
4 the meaning given to it under the Industrial Hemp Act.

5 (b) Cannabis business establishments licensed by the
6 Department of Agriculture for cultivation, growing,
7 processing, manufacturing, or infusing of medical or adult use
8 cannabis products pursuant to this Act or the Compassionate
9 Use of Medical Cannabis Program Act may use industrial hemp as
10 an ingredient in cannabis-infused products offered for sale at
11 licensed dispensaries in Illinois. Hemp flower shall not be
12 sold to dispensaries.

13 (c) All hemp obtained under this Section must be used in
14 extracted form and in infused cannabis products only.

15 (d) Industrial hemp may be procured from third-party
16 licensed growers or processors from within the State or any
17 other state with a regulated industrial hemp program.

18 (e) All hemp and hemp derivatives shall be obtained from a
19 licensed or registered hemp grower or processor, regardless of
20 the home state of the grower or processor. Cannabis producers
21 shall provide a copy of the hemp grower's or processor's
22 state-issued license upon demand of the Department of
23 Agriculture or the Illinois State Police.

24 (f) Industrial hemp flower and biomass may be purchased
25 and extracted by licensed cannabis cultivation centers or
26 licensed craft growers.

1 (g) Licensed cannabis cultivation centers and licensed
2 craft growers may procure or process industrial hemp in the
3 form of distillate or isolate. Licensed infusers may procure
4 industrial hemp in the form of distillate or isolate.

5 (h) Hemp and hemp derivatives may not be used to
6 concentrate or to synthesize intoxicating compounds and may
7 not exceed 0.3% THC.

8 (l) Final products containing hemp or hemp derivatives
9 sold by a cannabis business establishment shall be
10 cannabis-infused products and shall be subject to the
11 requirements of the Compassionate Use of Medical Cannabis Act
12 and the Cannabis Regulation and Tax Act and any applicable
13 administrative rules.

14 (410 ILCS 705/55-35)

15 Sec. 55-35. Administrative rulemaking.

16 (a) No later than 180 days after the effective date of this
17 Act, the Department of Agriculture, the Illinois State Police,
18 the Department of Financial and Professional Regulation, the
19 Department of Revenue, the Department of Commerce and Economic
20 Opportunity, and the Treasurer's Office shall adopt permanent
21 rules in accordance with their responsibilities under this
22 Act. The Department of Agriculture, the Illinois State Police,
23 the Department of Financial and Professional Regulation, the
24 Department of Revenue, and the Department of Commerce and
25 Economic Opportunity may adopt rules necessary to regulate

1 personal cannabis use through the use of emergency rulemaking
2 in accordance with subsection (gg) of Section 5-45 of the
3 Illinois Administrative Procedure Act. The General Assembly
4 finds that the adoption of rules to regulate cannabis use is
5 deemed an emergency and necessary for the public interest,
6 safety, and welfare.

7 (b) The Department of Agriculture rules may address, but
8 are not limited to, the following matters related to
9 cultivation centers, craft growers, infuser organizations, and
10 transporting organizations with the goal of protecting against
11 diversion and theft, without imposing an undue burden on the
12 cultivation centers, craft growers, infuser organizations, or
13 transporting organizations:

14 (1) oversight requirements for cultivation centers,
15 craft growers, infuser organizations, and transporting
16 organizations;

17 (2) recordkeeping requirements for cultivation
18 centers, craft growers, infuser organizations, and
19 transporting organizations;

20 (3) security requirements for cultivation centers,
21 craft growers, infuser organizations, and transporting
22 organizations, which shall include that each cultivation
23 center, craft grower, infuser organization, and
24 transporting organization location must be protected by a
25 fully operational security alarm system;

26 (4) standards for enclosed, locked facilities under

1 this Act;

2 (5) procedures for suspending or revoking the
3 identification cards of agents of cultivation centers,
4 craft growers, infuser organizations, and transporting
5 organizations that commit violations of this Act or the
6 rules adopted under this Section;

7 (6) rules concerning the intrastate transportation of
8 cannabis from a cultivation center, craft grower, infuser
9 organization, and transporting organization to a
10 dispensing organization;

11 (7) standards concerning the testing, quality,
12 cultivation, and processing of cannabis; ~~and~~

13 (7.5) standards and rules for the investigation and
14 enforcement of unregulated and unlicensed sale of cannabis
15 and cannabis products; and

16 (8) any other matters under oversight by the
17 Department of Agriculture as are necessary for the fair,
18 impartial, stringent, and comprehensive administration of
19 this Act.

20 (b-5) Notwithstanding any standards and rules developed
21 under paragraph (7.5) of subsection (b) of this Section, the
22 Department of Agriculture shall update through official
23 guidance and publish publicly on its website the cannabinoids
24 that it deems tetrahydrocannabinol or THC on or before January
25 1 and July 1 of each calendar year.

26 (c) The Department of Financial and Professional

1 Regulation rules may address, but are not limited to, the
2 following matters related to dispensing organizations, with
3 the goal of protecting against diversion and theft, without
4 imposing an undue burden on the dispensing organizations:

5 (1) oversight requirements for dispensing
6 organizations;

7 (2) recordkeeping requirements for dispensing
8 organizations;

9 (3) security requirements for dispensing
10 organizations, which shall include that each dispensing
11 organization location must be protected by a fully
12 operational security alarm system;

13 (4) procedures for suspending or revoking the licenses
14 of dispensing organization agents that commit violations
15 of this Act or the rules adopted under this Act;

16 (4.5) standards and rules for the investigation and
17 enforcement of unregulated and unlicensed sale of cannabis
18 and cannabis products; and

19 (5) any other matters under oversight by the
20 Department of Financial and Professional Regulation that
21 are necessary for the fair, impartial, stringent, and
22 comprehensive administration of this Act.

23 (d) The Department of Revenue rules may address, but are
24 not limited to, the following matters related to the payment
25 of taxes by cannabis business establishments:

26 (1) recording of sales;

1 (2) documentation of taxable income and expenses;
2 (3) transfer of funds for the payment of taxes; or
3 (4) any other matter under the oversight of the
4 Department of Revenue.

5 (e) The Department of Commerce and Economic Opportunity
6 rules may address, but are not limited to, a loan program or
7 grant program to assist Social Equity Applicants access the
8 capital needed to start a cannabis business establishment. The
9 names of recipients and the amounts of any moneys received
10 through a loan program or grant program shall be a public
11 record.

12 (f) The Illinois State Police rules may address
13 enforcement of its authority under this Act. The Illinois
14 State Police shall not make rules that infringe on the
15 exclusive authority of the Department of Financial and
16 Professional Regulation or the Department of Agriculture over
17 licensees under this Act.

18 (g) The Department of Human Services shall develop and
19 disseminate:

20 (1) educational information about the health risks
21 associated with the use of cannabis; and

22 (2) one or more public education campaigns in
23 coordination with local health departments and community
24 organizations, including one or more prevention campaigns
25 directed at children, adolescents, parents, and pregnant
26 or breastfeeding women, to inform them of the potential

1 health risks associated with intentional or unintentional
2 cannabis use.

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

5 (410 ILCS 705/60-10)

6 Sec. 60-10. Tax imposed.

7 (a) Beginning September 1, 2019, a tax is imposed upon the
8 privilege of cultivating cannabis at the rate of 7% of the
9 gross receipts from the first sale of cannabis by a
10 cultivator. The sale of any product that contains any amount
11 of cannabis or any derivative thereof is subject to the tax
12 under this Section on the full selling price of the product.
13 The Department may determine the selling price of the cannabis
14 when the seller and purchaser are affiliated persons, when the
15 sale and purchase of cannabis is not an arm's length
16 transaction, or when cannabis is transferred by a craft grower
17 to the craft grower's dispensing organization or infuser or
18 processing organization and a value is not established for the
19 cannabis. The value determined by the Department shall be
20 commensurate with the actual price received for products of
21 like quality, character, and use in the area. If there are no
22 sales of cannabis of like quality, character, and use in the
23 same area, then the Department shall establish a reasonable
24 value based on sales of products of like quality, character,
25 and use in other areas of the State, taking into consideration

1 any other relevant factors.

2 (a-5) Beginning January 1, 2025, a tax is imposed upon the
3 privilege of processing hemp-derived intoxicating products at
4 the rate of 7% of the gross receipts from the hemp processor's
5 sale of a hemp-derived intoxicating product to a craft grower
6 or infuser. The sale of any hemp-derived intoxicating product
7 as defined in the Hemp Consumer Products Act is subject to the
8 tax under this Section on the full selling price of the
9 product. The Department may determine the selling price of the
10 hemp-derived intoxicating product when the seller and
11 purchaser are affiliated persons or when the sale and purchase
12 of a hemp-derived intoxicating product is not an arm's length
13 transaction. The value determined by the Department shall be
14 commensurate with the actual price received for products of
15 like quality, character, and use in the area. If there are no
16 sales of hemp-derived intoxicating products of like quality,
17 character, and use in the same area, then the Department shall
18 establish a reasonable value based on sales of products of
19 like quality, character, and use in other areas of the State,
20 taking into consideration any other relevant factors.

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

1 hereunder by separately stating reimbursement for their tax
2 liability as an additional charge.

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

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

8 (410 ILCS 705/60-15)

9 Sec. 60-15. Registration of cultivators. Every cultivator
10 and craft grower subject to the tax under this Article shall
11 apply to the Department of Revenue for a certificate of
12 registration under this Article. All applications for
13 registration under this Article shall be made by electronic
14 means in the form and manner required by the Department. For
15 that purpose, the provisions of Section 2a of the Retailers'
16 Occupation Tax Act are incorporated into this Article to the
17 extent not inconsistent with this Article. In addition, no
18 certificate of registration shall be issued under this Article
19 unless the applicant is licensed under this Act or is licensed
20 as a hemp consumer products processor under the Hemp Consumer
21 Products Act.

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

23 (410 ILCS 705/60-20)

24 Sec. 60-20. Return and payment of cannabis cultivation

1 privilege tax. Each person who is required to pay the tax
2 imposed by this Article shall make a return to the Department
3 on or before the 20th day of each month for the preceding
4 calendar month stating the following:

5 (1) the taxpayer's name;

6 (2) the address of the taxpayer's principal place of
7 business and the address of the principal place of
8 business (if that is a different address) from which the
9 taxpayer is engaged in the business of cultivating
10 cannabis subject to tax under this Article;

11 (3) the total amount of receipts received by the
12 taxpayer during the preceding calendar month from sales of
13 cannabis or hemp-derived intoxicating products subject to
14 tax under this Article by the taxpayer during the
15 preceding calendar month;

16 (4) the total amount received by the taxpayer during
17 the preceding calendar month on charge and time sales of
18 cannabis subject to tax imposed under this Article by the
19 taxpayer before the month for which the return is filed;

20 (5) deductions allowed by law;

21 (6) gross receipts that were received by the taxpayer
22 during the preceding calendar month and upon the basis of
23 which the tax is imposed;

24 (7) the amount of tax due;

25 (8) the signature of the taxpayer; and

26 (9) any other information as the Department may

1 reasonably require.

2 All returns required to be filed and payments required to
3 be made under this Article shall be by electronic means.
4 Taxpayers who demonstrate hardship in paying electronically
5 may petition the Department to waive the electronic payment
6 requirement. The Department may require a separate return for
7 the tax under this Article or combine the return for the tax
8 under this Article with the return for the tax under the
9 Compassionate Use of Medical Cannabis Program Act. If the
10 return for the tax under this Article is combined with the
11 return for tax under the Compassionate Use of Medical Cannabis
12 Program Act, then the vendor's discount allowed under this
13 Section and any cap on that discount shall apply to the
14 combined return. The taxpayer making the return provided for
15 in this Section shall also pay to the Department, in
16 accordance with this Section, the amount of tax imposed by
17 this Article, less a discount of 1.75%, but not to exceed
18 \$1,000 per return period, which is allowed to reimburse the
19 taxpayer for the expenses incurred in keeping records,
20 collecting tax, preparing and filing returns, remitting the
21 tax, and supplying data to the Department upon request. No
22 discount may be claimed by a taxpayer on returns not timely
23 filed and for taxes not timely remitted. No discount may be
24 claimed by a taxpayer for any return that is not filed
25 electronically. No discount may be claimed by a taxpayer for
26 any payment that is not made electronically, unless a waiver

1 has been granted under this Section. Any amount that is
2 required to be shown or reported on any return or other
3 document under this Article shall, if the amount is not a
4 whole-dollar amount, be increased to the nearest whole-dollar
5 amount if the fractional part of a dollar is \$0.50 or more and
6 decreased to the nearest whole-dollar amount if the fractional
7 part of a dollar is less than \$0.50. If a total amount of less
8 than \$1 is payable, refundable, or creditable, the amount
9 shall be disregarded if it is less than \$0.50 and shall be
10 increased to \$1 if it is \$0.50 or more. Notwithstanding any
11 other provision of this Article concerning the time within
12 which a taxpayer may file a return, any such taxpayer who
13 ceases to engage in the kind of business that makes the person
14 responsible for filing returns under this Article shall file a
15 final return under this Article with the Department within one
16 month after discontinuing such business.

17 Each taxpayer under this Article shall make estimated
18 payments to the Department on or before the 7th, 15th, 22nd,
19 and last day of the month during which tax liability to the
20 Department is incurred. The payments shall be in an amount not
21 less than the lower of either 22.5% of the taxpayer's actual
22 tax liability for the month or 25% of the taxpayer's actual tax
23 liability for the same calendar month of the preceding year.
24 The amount of the quarter-monthly payments shall be credited
25 against the final tax liability of the taxpayer's return for
26 that month. If any quarter-monthly payment is not paid at the

1 time or in the amount required by this Section, then the
2 taxpayer shall be liable for penalties and interest on the
3 difference between the minimum amount due as a payment and the
4 amount of the quarter-monthly payment actually and timely
5 paid, except insofar as the taxpayer has previously made
6 payments for that month to the Department in excess of the
7 minimum payments previously due as provided in this Section.

8 If any payment provided for in this Section exceeds the
9 taxpayer's liabilities under this Article, as shown on an
10 original monthly return, the Department shall, if requested by
11 the taxpayer, issue to the taxpayer a credit memorandum no
12 later than 30 days after the date of payment. The credit
13 evidenced by the credit memorandum may be assigned by the
14 taxpayer to a similar taxpayer under this Act, in accordance
15 with reasonable rules to be prescribed by the Department. If
16 no such request is made, the taxpayer may credit the excess
17 payment against tax liability subsequently to be remitted to
18 the Department under this Act, in accordance with reasonable
19 rules prescribed by the Department. If the Department
20 subsequently determines that all or any part of the credit
21 taken was not actually due to the taxpayer, the taxpayer's
22 discount shall be reduced, if necessary, to reflect the
23 difference between the credit taken and that actually due, and
24 that taxpayer shall be liable for penalties and interest on
25 the difference.

26 If a taxpayer fails to sign a return within 30 days after

1 the proper notice and demand for signature by the Department
2 is received by the taxpayer, the return shall be considered
3 valid and any amount shown to be due on the return shall be
4 deemed assessed.

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

6 Section 820. The Industrial Hemp Act is amended by
7 changing Sections 5, 10, and 20 and by adding Section 30 as
8 follows:

9 (505 ILCS 89/5)

10 Sec. 5. Definitions. In this Act:

11 "Department" means the Department of Agriculture.

12 "Director" means the Director of Agriculture.

13 "Hemp" or "industrial hemp" means the plant *Cannabis*
14 *sativa* L. and any part of that plant, whether growing or not,
15 with a delta-9 tetrahydrocannabinol concentration of not more
16 than 0.3 percent on a dry weight basis and includes any
17 intermediate or finished product made or derived from
18 industrial hemp.

19 "Hemp production plan" means a plan submitted by the
20 Department to the Secretary of the United States Department of
21 Agriculture pursuant to the federal Agriculture Improvement
22 Act of 2018, Public Law 115-334, and consistent with the
23 Domestic Hemp Production Program pursuant to 7 CFR Part 990
24 wherein the Department establishes its desire to have primary

1 regulatory authority over the production of hemp.

2 "Industrial hemp processor" means any entity that
3 processes or handles industrial hemp into a final product not
4 intended for human or animal consumption that is registered
5 with the Department. "Industrial hemp processor" includes,
6 until the availability of a hemp consumer product processor
7 license under the Hemp Consumer Product Act, any entity that
8 processes or handles industrial hemp.

9 "Industrial hemp product" means any finished product made
10 or derived from industrial hemp that is not intended for human
11 or animal consumption by any means.

12 "Land area" means a farm as defined in Section 1-60 of the
13 Property Tax Code in this State or land or facilities under the
14 control of an institution of higher education.

15 "Person" means any individual, partnership, firm,
16 corporation, company, society, association, the State or any
17 department, agency, or subdivision thereof, or any other
18 entity.

19 ~~"Process" means the conversion of raw industrial hemp~~
20 ~~plant material into a form that is presently legal to import~~
21 ~~from outside the United States under federal law.~~

22 "THC" means delta-9 tetrahydrocannabinol.

23 (Source: P.A. 102-690, eff. 12-17-21.)

24 (505 ILCS 89/10)

25 Sec. 10. Licenses and registration.

1 (a) No person shall cultivate industrial hemp in this
2 State without a license issued by the Department.

3 (b) The application for a license shall include:

4 (1) the name and address of the applicant;

5 (2) the legal description of the land area, including
6 Global Positioning System coordinates, to be used to
7 cultivate industrial hemp; and

8 (3) if federal law requires a research purpose for the
9 cultivation of industrial hemp, a description of one or
10 more research purposes planned for the cultivation of
11 industrial hemp which may include the study of the growth,
12 cultivation, or marketing of industrial hemp; however, the
13 research purpose requirement shall not be construed to
14 limit the commercial sale of industrial hemp.

15 (b-5) A person shall not process industrial hemp in this
16 State without registering with the Department as an industrial
17 hemp processor on a form prescribed by the Department.

18 (c) The Department may determine, by rule, the duration of
19 a license or registration; application, registration, and
20 license fees; and the requirements for license or registration
21 renewal.

22 (Source: P.A. 102-690, eff. 12-17-21.)

23 (505 ILCS 89/20)

24 Sec. 20. Hemp products. Nothing in this Act shall alter
25 the legality of industrial hemp or hemp products not intended

1 for human or animal consumption by any means. The manufacture,
2 sale, and advertisement of all hemp or hemp products that are
3 intended for human or animal consumption by any means are
4 regulated under the Hemp Consumer Products Act ~~hemp or hemp~~
5 ~~products that are presently legal to possess or own.~~

6 (Source: P.A. 100-1091, eff. 8-26-18.)

7 (505 ILCS 89/30 new)

8 Sec. 30. Hemp processing.

9 (a) A person may not process industrial hemp in this State
10 without registering for a license with the Department on a
11 form prescribed by the Department.

12 (b) The application for a license shall include:

13 (1) the name and address of the applicant; and

14 (2) the address of the location at which hemp will be
15 processed.

16 (c) The Department may determine, by rule, the duration of
17 a hemp processor registration, application, and registration
18 fees, and the requirements for registration renewal.

19 (d) Beginning January 1, 2025, all active hemp processing
20 registrations that process or manufacture products derived
21 from hemp intended for human or animal consumption shall be
22 regulated under the Hemp Consumer Products Act. Hemp
23 processing shall not be regulated under the Industrial Hemp
24 Act. By January 1, 2025, the Department of Agriculture shall
25 create a process to provide each active hemp processor

1 registrant that processes or produces products intended for
2 human or animal consumption by any means with a Hemp Consumer
3 Products Act hemp consumer product processing license.

4 (e) The Department may revoke the registration of any
5 industrial hemp processor that processes or manufactures
6 products derived from hemp intended for human or animal
7 consumption and fails to register as a hemp consumer product
8 processor under the Hemp Consumer Products Act by March 1,
9 2025.

10 Section 825. The Cannabis Control Act is amended by
11 changing Sections 4, 5, and 5.1 as follows:

12 (720 ILCS 550/4) (from Ch. 56 1/2, par. 704)

13 Sec. 4. Except as otherwise provided in the Cannabis
14 Regulation and Tax Act, Hemp Consumer Products Act, and the
15 Industrial Hemp Act, it is unlawful for any person knowingly
16 to possess cannabis.

17 Any person who violates this Section with respect to:

18 (a) not more than 10 grams of any substance containing
19 cannabis is guilty of a civil law violation punishable by
20 a minimum fine of \$100 and a maximum fine of \$200. The
21 proceeds of the fine shall be payable to the clerk of the
22 circuit court. Within 30 days after the deposit of the
23 fine, the clerk shall distribute the proceeds of the fine
24 as follows:

1 (1) \$10 of the fine to the circuit clerk and \$10 of
2 the fine to the law enforcement agency that issued the
3 citation; the proceeds of each \$10 fine distributed to
4 the circuit clerk and each \$10 fine distributed to the
5 law enforcement agency that issued the citation for
6 the violation shall be used to defer the cost of
7 automatic expungements under paragraph (2.5) of
8 subsection (a) of Section 5.2 of the Criminal
9 Identification Act;

10 (2) \$15 to the county to fund drug addiction
11 services;

12 (3) \$10 to the Office of the State's Attorneys
13 Appellate Prosecutor for use in training programs;

14 (4) \$10 to the State's Attorney; and

15 (5) any remainder of the fine to the law
16 enforcement agency that issued the citation for the
17 violation.

18 With respect to funds designated for the Illinois
19 State Police, the moneys shall be remitted by the circuit
20 court clerk to the Illinois State Police within one month
21 after receipt for deposit into the State Police Operations
22 Assistance Fund. With respect to funds designated for the
23 Department of Natural Resources, the Department of Natural
24 Resources shall deposit the moneys into the Conservation
25 Police Operations Assistance Fund;

26 (b) more than 10 grams but not more than 30 grams of

1 any substance containing cannabis is guilty of a Class B
2 misdemeanor;

3 (c) more than 30 grams but not more than 100 grams of
4 any substance containing cannabis is guilty of a Class A
5 misdemeanor; provided, that if any offense under this
6 subsection (c) is a subsequent offense, the offender shall
7 be guilty of a Class 4 felony;

8 (d) more than 100 grams but not more than 500 grams of
9 any substance containing cannabis is guilty of a Class 4
10 felony; provided that if any offense under this subsection
11 (d) is a subsequent offense, the offender shall be guilty
12 of a Class 3 felony;

13 (e) more than 500 grams but not more than 2,000 grams
14 of any substance containing cannabis is guilty of a Class
15 3 felony;

16 (f) more than 2,000 grams but not more than 5,000
17 grams of any substance containing cannabis is guilty of a
18 Class 2 felony;

19 (g) more than 5,000 grams of any substance containing
20 cannabis is guilty of a Class 1 felony.

21 Fines and assessments, such as fees or administrative
22 costs, authorized under this Section shall not be ordered or
23 imposed against a minor subject to Article III, IV, or V of the
24 Juvenile Court Act of 1987, or a minor under the age of 18
25 transferred to adult court or excluded from juvenile court
26 jurisdiction under Article V of the Juvenile Court Act of

1 1987, or the minor's parent, guardian, or legal custodian.

2 (Source: P.A. 102-538, eff. 8-20-21; 103-379, eff. 7-28-23.)

3 (720 ILCS 550/5) (from Ch. 56 1/2, par. 705)

4 Sec. 5. Except as otherwise provided in the Cannabis
5 Regulation and Tax Act, Hemp Consumer Products Act, and the
6 Industrial Hemp Act, it is unlawful for any person knowingly
7 to manufacture, deliver, or possess with intent to deliver, or
8 manufacture, cannabis. Any person who violates this Section
9 with respect to:

10 (a) not more than 2.5 grams of any substance
11 containing cannabis is guilty of a Class B misdemeanor;

12 (b) more than 2.5 grams but not more than 10 grams of
13 any substance containing cannabis is guilty of a Class A
14 misdemeanor;

15 (c) more than 10 grams but not more than 30 grams of
16 any substance containing cannabis is guilty of a Class 4
17 felony;

18 (d) more than 30 grams but not more than 500 grams of
19 any substance containing cannabis is guilty of a Class 3
20 felony for which a fine not to exceed \$50,000 may be
21 imposed;

22 (e) more than 500 grams but not more than 2,000 grams
23 of any substance containing cannabis is guilty of a Class
24 2 felony for which a fine not to exceed \$100,000 may be
25 imposed;

1 (f) more than 2,000 grams but not more than 5,000
2 grams of any substance containing cannabis is guilty of a
3 Class 1 felony for which a fine not to exceed \$150,000 may
4 be imposed;

5 (g) more than 5,000 grams of any substance containing
6 cannabis is guilty of a Class X felony for which a fine not
7 to exceed \$200,000 may be imposed.

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

9 (720 ILCS 550/5.1) (from Ch. 56 1/2, par. 705.1)

10 Sec. 5.1. Cannabis trafficking.

11 (a) Except for purposes authorized by this Act, the
12 Industrial Hemp Act, the Hemp Consumer Products Act, or the
13 Cannabis Regulation and Tax Act, any person who knowingly
14 brings or causes to be brought into this State for the purpose
15 of manufacture or delivery or with the intent to manufacture
16 or deliver 2,500 grams or more of cannabis in this State or any
17 other state or country is guilty of cannabis trafficking.

18 (b) A person convicted of cannabis trafficking shall be
19 sentenced to a term of imprisonment not less than twice the
20 minimum term and fined an amount as authorized by subsection
21 (f) or (g) of Section 5 of this Act, based upon the amount of
22 cannabis brought or caused to be brought into this State, and
23 not more than twice the maximum term of imprisonment and fined
24 twice the amount as authorized by subsection (f) or (g) of
25 Section 5 of this Act, based upon the amount of cannabis

1 brought or caused to be brought into this State.

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

3 Section 830. The Consumer Fraud and Deceptive Business
4 Practices Act is amended by changing Section 2Z as follows:

5 (815 ILCS 505/2Z) (from Ch. 121 1/2, par. 262Z)

6 Sec. 2Z. Violations of other Acts. Any person who
7 knowingly violates the Automotive Repair Act, the Automotive
8 Collision Repair Act, the Home Repair and Remodeling Act, the
9 Dance Studio Act, the Physical Fitness Services Act, the
10 Hearing Instrument Consumer Protection Act, the Illinois Union
11 Label Act, the Installment Sales Contract Act, the Job
12 Referral and Job Listing Services Consumer Protection Act, the
13 Travel Promotion Consumer Protection Act, the Credit Services
14 Organizations Act, the Automatic Telephone Dialers Act, the
15 Pay-Per-Call Services Consumer Protection Act, the Telephone
16 Solicitations Act, the Illinois Funeral or Burial Funds Act,
17 the Cemetery Oversight Act, the Cemetery Care Act, the Safe
18 and Hygienic Bed Act, the Illinois Pre-Need Cemetery Sales
19 Act, the High Risk Home Loan Act, the Payday Loan Reform Act,
20 the Predatory Loan Prevention Act, the Mortgage Rescue Fraud
21 Act, subsection (a) or (b) of Section 3-10 of the Cigarette Tax
22 Act, subsection (a) or (b) of Section 3-10 of the Cigarette Use
23 Tax Act, the Electronic Mail Act, the Internet Caller
24 Identification Act, paragraph (6) of subsection (k) of Section

1 6-305 of the Illinois Vehicle Code, Section 11-1431, 18d-115,
2 18d-120, 18d-125, 18d-135, 18d-150, or 18d-153 of the Illinois
3 Vehicle Code, Article 3 of the Residential Real Property
4 Disclosure Act, the Automatic Contract Renewal Act, the
5 Reverse Mortgage Act, Section 25 of the Youth Mental Health
6 Protection Act, the Personal Information Protection Act, ~~or~~
7 the Student Online Personal Protection Act, or subsection (a)
8 of Section 15-155 of the Cannabis Regulation and Tax Act
9 commits an unlawful practice within the meaning of this Act.

10 (Source: P.A. 100-315, eff. 8-24-17; 100-416, eff. 1-1-18;
11 100-863, eff. 8-14-18; 101-658, eff. 3-23-21.)

12 Section 999. Effective date. This Act takes effect upon
13 becoming law."