



Sen. Kimberly A. Lightford

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1 AMENDMENT TO SENATE BILL 776

2 AMENDMENT NO. _____. Amend Senate Bill 776 by replacing
3 everything after the enacting clause with the following:

4 "Article 1.

5 Short title; Definitions

6 Section 1-1. Short title. This Act may be cited as the Hemp
7 Cannabinoid Products Act. References to "this Act" in Articles
8 1 through 40 of this Act mean Articles 1 through 40 of this
9 Act.

10 Section 1-5. Definitions. In this Act:

11 "Accreditation body" means an impartial nonprofit
12 organization that operates in conformance with the
13 International Organization for Standardization
14 (ISO)/International Electrotechnical Commission (IEC)
15 standard 17011 and is a signatory to the International

1 Laboratory Accreditation Cooperation (ILAC) Mutual Recognition
2 Arrangement (MRA) for Testing.

3 "Batch" means a specific quantity of a specific
4 cannabinoid product that is manufactured during the same batch
5 cycle.

6 "Batch cycle" means a specific quantity of a specific
7 cannabinoid product that is manufactured using the same
8 methods, equipment, and ingredients that is uniform and
9 intended to meet specifications for identity, strength,
10 purity, and composition and that is manufactured, packaged,
11 and labeled according to a batch cycle production record
12 executed and documented during the same cycle of manufacture.

13 "Broad spectrum" means a hemp extract or hemp extract
14 derived product containing multiple hemp-derived cannabinoids,
15 terpenes, and other naturally occurring compounds, processed
16 with the intentional removal of delta-9 Tetrahydrocannabinol.

17 "Department" means the Department of Agriculture.

18 "Director" means the Director of Agriculture.

19 "Full spectrum" means a hemp concentrate or hemp
20 concentrate product cannabinoid product containing multiple
21 hemp-derived cannabinoids, terpenes, and other naturally
22 occurring compounds processed without intentional complete
23 removal of any compound and without the addition of isolated
24 cannabinoids.

25 "Hemp business establishment" means a hemp cultivator,
26 hemp processor, hemp distributor, hemp infuser, or any other

1 business licensed by the Department of Agriculture under this
2 Act.

3 "Hemp cannabinoid" means the chemical constituents of
4 industrial hemp plants that are naturally occurring and
5 derived from hemp plants with less than 0.3% delta-9 THC as
6 tested on a dry weight basis.

7 "Hemp cannabinoid product" means a finished product for
8 sale to consumer within the State that contains cannabinoids
9 derived from industrial hemp, is intended for human
10 consumption, and meets the packaging, labeling, and testing
11 requirements of this Act.

12 "Hemp concentrate" means the extracts and resins of a hemp
13 plant or hemp plant parts, including the extracts or resins of
14 a hemp plant or hemp plant parts that are refined to increase
15 or decrease the presence of targeted cannabinoids intended to
16 cause an intoxicating effect or having a total milligram by
17 volume over 0.5 milligrams per serving or 2 milligrams per
18 packaging of delta-9-tetrahydrocannabinol or
19 delta-8-tetrahydrocannabinol, including any other substance
20 containing THC.

21 "Hemp concentrate derived products" means a product
22 intended for human consumption that is derived from hemp
23 concentrate and meets the labeling and potency requirements
24 set forth in this Act.

25 "Hemp concentrate infuser" means the establishment that
26 takes intermediate hemp products, hemp extract, or hemp

1 concentrate and infuses it with products intended for human
2 consumption that meets the labeling and potency limits set
3 forth in this Act.

4 "Hemp concentrate infuser agent" means a principal
5 officer, employee, or agent of a hemp concentrate infuser who
6 is 21 years of age or older.

7 "Hemp concentrate infuser agent identification card" means
8 a document issued by the Department of Agriculture that
9 identifies a person as a hemp concentrate infuser agent.

10 "Hemp concentrate retailer" means the establishment where
11 hemp cannabinoid products, hemp extract derived products, or
12 hemp concentrate derived products may be sold to consumers.

13 "Hemp concentrate retail agent" means a principal officer,
14 employee, or agent of a hemp concentrate retailer who is 21
15 years of age or older.

16 "Hemp concentrate retail agent identification card" means
17 a document issued by the Department of Agriculture that
18 identifies a person as a hemp concentrate retail agent.

19 "Hemp extract" means a substance or compound intended for
20 ingestion or inhalations that is derived from or contains hemp
21 and that does not contain other controlled substances or
22 resins of a hemp plant or hemp plant parts that are refined to
23 increase or decrease the presence of targeted cannabinoids.

24 "Hemp distributor" means a business that transports
25 intermediate hemp product, hemp extract, hemp concentrate, or
26 raw hemp to hemp infusers, processors, testing facilities, or

1 retail locations licensed by the Department of Financial and
2 Professional Regulation or Department of Agriculture.

3 "Hemp distributor agent" means a principal officer,
4 employee, or agent of a hemp distributor who is 21 years of age
5 or older.

6 "Hemp distributor agent identification card" means a
7 document issued by the Department of Agriculture that
8 identifies a person as a hemp distributor agent.

9 "Hemp extract derived products" means a product intended
10 for human consumptions that is derived from hemp extract and
11 meets the labeling and potency limits set forth in this Act and
12 does not contain more than 0.5 milligrams per serving or 2
13 milligrams per package of delta-8 or delta-9 THC derived from
14 any naturally occurring cannabinoids found in hemp.

15 "Hemp extract infuser" means the establishment that takes
16 intermediate hemp products or hemp extract and infuses it with
17 products intended for human consumption that meets the
18 labeling and potency limits set forth in this Act for a hemp
19 extract product.

20 "Hemp processor" means the establishment that removes the
21 hemp extract from the hemp plant or refines or isomerizes the
22 hemp extract into hemp concentrate for use in an intermediate
23 hemp product.

24 "Hemp processor agent" means a principal officer,
25 employee, or agent of a hemp processor who is 21 years of age
26 or older.

1 "Hemp processor agent identification card" means a
2 document issued by the Department of Agriculture that
3 identifies a person as a hemp processor agent.

4 "Hemp retailer" means the establishment where hemp
5 cannabinoid products or hemp extract derived products may be
6 sold to consumers.

7 "Imported hemp" means industrial hemp that incorporates
8 raw hemp or intermediate hemp products not produced in
9 Illinois.

10 "Intermediate hemp product" means a product that is made
11 from hemp concentrate that can only be sold to hemp business
12 establishments to be used as ingredients for other
13 intermediate hemp products or hemp concentrate derived
14 products for human consumption.

15 "Scope of accreditation" means a document issued by an
16 accreditation body that attests to the laboratory's competence
17 to carry out specific testing and analysis.

18 "Social Equity Applicant" has the meaning given to that
19 term in Section 1-10 of the Cannabis Regulation and Tax Act.

20 "Testing laboratory" means an independent, third-party
21 laboratory contracted by a licensee to test hemp cannabinoid
22 products.

23 "Tetrahydrocannabinol" or "THC" means any naturally
24 occurring or synthetic tetrahydrocannabinol, including its
25 salts, isomers, and salts of isomers whenever the existence of
26 such salts, isomers, and salts of isomers is possible within

1 the specific chemical designation and any preparation,
2 mixture, or substance containing, or mixed or infused with,
3 any detectable amount of tetrahydrocannabinol or
4 tetrahydrocannabinolic acid, including, but not limited to,
5 delta-8-tetrahydrocannabinol, delta-9-tetrahydrocannabinol,
6 delta-10-tetrahydrocannabinol, tetrahydrocannabinolic acid,
7 tetrahydrocannabipheryl, or hexahydrocannabinol, however
8 derived, or any other substance determined to have similar
9 intoxicating effects on the mind or body by the Department.
10 For the purposes of this definition, "isomer" means the
11 optical, position, and geometric isomers.

12 Article 5.

13 General Provisions

14 Section 5-5. Prohibitions.

15 (a) No person shall process, manufacture, label,
16 distribute for sale, sell, offer for sale, market, or
17 advertise any hemp cannabinoid product within this State
18 without obtaining a license under this Act.

19 (b) No licensee shall distribute for sale, offer for sale,
20 market, or advertise intermediate hemp products or hemp
21 concentrate to a person or entity that is not a licensed hemp
22 business establishment.

23 (c) No hemp retailer shall distribute for sale, offer for
24 sale, market, or advertise hemp concentrate products.

1 (d) No licensee shall process, manufacture, distribute for
2 sale, sell, offer for sale, market, or advertise any hemp
3 cannabinoid product unless the product complies with the
4 labeling, packaging, minimum testing, and other requirements
5 of this Act and any administrative rules adopted by the
6 Department.

7 (e) A product that has a THC concentration greater than
8 the limits set forth for hemp cannabinoid products as defined
9 in this Act shall be regulated as cannabis as defined in the
10 Cannabis Regulation and Tax Act, whether or not the product is
11 made with or derived from hemp, industrial hemp, or derived
12 from natural or synthetic sources.

13 (f) No product intended for consumption by any means that
14 is derived from hemp or marketed as hemp shall be distributed
15 for sale, offered for sale, or sold to a consumer within this
16 State unless it meets the minimum requirements of this Act.

17 Article 10.

18 Hemp Retailers

19 Section 10-5. Authority.

20 (a) The Department shall administer and enforce the
21 provisions of this Act relating to the licensure and oversight
22 of licensure of a hemp retailer unless otherwise provided in
23 this Act.

24 (b) No person shall operate a hemp retailer organization

1 for the purpose of serving purchasers of hemp extract derived
2 products without a license issued under this Article by the
3 Department.

4 (c) Subject to this Act, the Department may exercise the
5 following powers and duties:

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

8 (2) Examine, inspect, and investigate the premises,
9 operations, and records of hemp retail organization
10 applicants and licensees.

11 (3) Conduct investigations of possible violations of
12 this Act pertaining to the hemp retail organization.

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

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

19 Section 10-10. Application for hemp retailers. An
20 applicant seeking issuance of a license as a hemp retailer
21 shall submit an application on forms provided by the
22 Department. An applicant must meet the following requirements:

23 (1) payment of a nonrefundable application fee of \$100
24 for each license for which the applicant is applying,
25 which shall be deposited into the Cannabis Regulation

1 Fund;

2 (2) certification that the applicant will comply with
3 the requirements contained in this Act;

4 (3) the legal name of the proposed hemp retailer;

5 (4) a statement that the hemp retailer agrees to
6 respond to the Department's supplemental requests for
7 information;

8 (5) a resume for each principal officer, including
9 whether that person has an academic degree, certification,
10 or relevant experience with a hemp business establishment
11 or in a related industry;

12 (6) a copy of the proposed operating bylaws;

13 (7) a copy of the proposed business plan that complies
14 with the requirements in this Act;

15 (8) a proposed floor plan, including a square footage
16 estimate;

17 (9) the name, address, social security number, and
18 date of birth of each principal officer and board member
19 of the retailer; each principal officer and board member
20 shall be at least 21 years of age;

21 (10) the address, telephone number, and email address
22 of the applicant's principal place of business, if
23 applicable. A post office box is not permitted;

24 (11) written summaries of any information regarding
25 instances in which a business or nonprofit organization
26 that a prospective board member previously managed or

1 served on was fined or censured or any instances in which a
2 business or nonprofit organization that a prospective
3 board member previously managed or served on had its
4 registration suspended or revoked in any administrative or
5 judicial proceeding;

6 (12) procedures to ensure accurate recordkeeping;

7 (13) a description of the features that will provide
8 accessibility to purchasers as required by the Americans
9 with Disabilities Act;

10 (14) the dated signature of each principal officer;
11 and

12 (15) any other information deemed necessary by the
13 Department.

14 Section 10-15. Renewal of licenses.

15 (a) A hemp retailer license issued under Section 10-10
16 shall expire 2 years after the date issued.

17 (b) A license holder shall submit a renewal application as
18 provided by the Department and pay the required renewal fee.
19 The Department shall require an agent, employee, contracting,
20 and subcontracting diversity report and an environmental
21 impact report with its renewal application. No license may be
22 renewed if it is currently under revocation or suspension for
23 violation of this Act, the Cannabis Regulation and Tax Act, or
24 the Industrial Hemp Act or any rules that adopted under this
25 Act, the Cannabis Regulation and Tax Act, or the Industrial

1 Hemp Act or if the licensee, principal officer, board member,
2 person having a financial or voting interest of 5% or greater
3 in the licensee, or agent is delinquent in filing any required
4 tax returns or paying any amounts owed to the State.

5 (c) For a hemp retailer license, \$100 shall be paid as a
6 renewal fee and shall be deposited into the Cannabis
7 Regulation Fund.

8 (d) If a hemp retailer fails to renew its license before
9 expiration, the hemp retailer shall cease operations until the
10 license is renewed.

11 (e) A hemp retailer that continues to operate without
12 renewal of its license is subject to penalty as provided in
13 this Article or any rules that may be adopted pursuant to this
14 Article.

15 (f) The Department shall not renew a license if the
16 applicant is delinquent in filing required tax returns or
17 paying amounts owed to the State.

18 Section 10-20 Denial of application.

19 (a) An application for a hemp retailer license must be
20 denied if any of the following conditions are met:

21 (1) The applicant failed to submit the materials
22 required by this Article.

23 (2) The applicant would not be in compliance with
24 local zoning rules or permit requirements.

25 (3) One or more of the prospective principal officers

1 or board members causes a violation of this Act.

2 (4) One or more of the principal officers or board
3 members is under 21 years of age.

4 (5) The person has submitted an application for a
5 license under this Act or this Article that contains false
6 information.

7 (6) If the licensee, principal officer, board member,
8 agent, or person having a financial or voting interest of
9 5% or greater in the licensee is delinquent in filing any
10 required tax returns or paying any amounts owed to the
11 State of Illinois.

12 Article 15.

13 Hemp Concentrate Retailers

14 Section 15-5. Definitions; issuance of licenses.

15 (a) In this Article:

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

18 "Secretary" means the Secretary of Financial and
19 Professional Regulation

20 (b) The Department shall issue licenses for hemp
21 concentrate retailers through the process provided for in this
22 Article no later than July 1, 2026.

23 (c) The Department may not issue more than 500 licenses
24 for hemp concentrate retailers under this Article.

1 (d) The Department shall make the application to be
2 licensed as a hemp concentrate retailer available on January
3 7, 2026 and shall receive any initial applications under this
4 subsection no later than March 15, 2026.

5 (e) Upon completion of the disparity and availability
6 study published by the Illinois Cannabis Regulation Oversight
7 Officer under subsection (e) of Section 5-45 of the Cannabis
8 Regulation and Tax Act, the Department may modify or change
9 the licensing application process to reduce or eliminate
10 barriers and remedy discrimination identified in the study.

11 (f) Beginning January 7, 2027, the Department shall make
12 the applications available and on every January 7 thereafter
13 or, if that date falls on a weekend or holiday, the business
14 day immediately succeeding the weekend or holiday and shall
15 receive any application no later than March 15 or the
16 succeeding business day thereafter.

17 Section 15-10. Authority.

18 (a) The Department shall administer and enforce the
19 provisions of this Act relating to the licensure and oversight
20 of hemp concentrate retailer license holders and hemp
21 concentrate retail agents unless otherwise provided in this
22 Act.

23 (b) No person shall operate a hemp concentrate retail
24 organization for the purpose of serving purchasers of hemp
25 concentrate derived products or hemp extract derived products

1 without a license issued under this Article by the Department.
2 No person shall be an officer, director, manager, or employee
3 of a hemp concentrate retail organization without having been
4 issued a hemp concentrate retail agent card by the Department.

5 (c) Subject to this Act, the Department may exercise the
6 following powers and duties:

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

9 (2) Examine, inspect, and investigate the premises,
10 operations, and records of hemp concentrate retail
11 organization applicants and licensees.

12 (3) Conduct investigations of possible violations of
13 this Act pertaining to hemp concentrate retail
14 organization or hemp concentrate retail agents.

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

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

21 Section 15-15. Application for hemp concentrate retailers.
22 An applicant seeking issuance of a hemp concentrate retailer
23 shall submit an application on forms provided by the
24 Department. An applicant must meet the following requirements:

25 (1) payment of a nonrefundable application fee of

1 \$5,000 for each license for which the applicant is
2 applying, which shall be deposited into the Cannabis
3 Regulation Fund;

4 (2) certification that the applicant will comply with
5 the requirements contained in this Act;

6 (3) the legal name of the proposed hemp concentrate
7 retailer;

8 (4) a statement that the hemp concentrate retailer
9 agrees to respond to the Department's supplemental
10 requests for information;

11 (5) from each principal officer, a statement
12 indicating whether that person:

13 (A) has previously held or currently holds an
14 ownership interest in a cannabis business
15 establishment or a hemp business establishment in this
16 State; or

17 (B) has held an ownership interest in a cannabis
18 dispensing organization, hemp retailer organization,
19 or its equivalent in another state or territory of the
20 United States that had the cannabis dispensing
21 organization registration, hemp retailer organization,
22 or license suspended, revoked, placed on probationary
23 status, or subjected to other disciplinary action;

24 (6) disclosure of whether any principal officer has
25 ever filed for bankruptcy or defaulted on spousal support
26 or child support obligation;

1 (7) a resume for each principal officer, including
2 whether that person has an academic degree, certification,
3 or relevant experience with a hemp business establishment
4 or in a related industry;

5 (8) a description of the training and education that
6 will be provided to hemp concentrate retailer agents;

7 (9) a copy of the proposed operating bylaws;

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

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

12 (B) a description of the process of dispensing
13 hemp concentrate products;

14 (11) a copy of the proposed security plan that
15 complies with the requirements in this Act, including:

16 (A) the process or controls that will be
17 implemented to monitor the hemp concentrate retailer,
18 secure the premises, agents, and currency, and prevent
19 the diversion, theft, or loss of hemp concentrate
20 products; and

21 (B) the process to ensure that access to the
22 restricted access areas is restricted to, registered
23 agents, service professionals, hemp distributor
24 agents, Department inspectors, and security personnel;

25 (12) a proposed inventory control plan that complies
26 with this Section;

1 (13) a proposed floor plan, including a square footage
2 estimate, and a description of proposed security devices,
3 including, without limitation, cameras, motion detectors,
4 servers, video storage capabilities, and alarm service
5 providers;

6 (14) the name, address, social security number, and
7 date of birth of each principal officer and board member
8 of the hemp concentrate retailer; each of those
9 individuals shall be at least 21 years of age;

10 (15) the address, telephone number, and email address
11 of the applicant's principal place of business, if
12 applicable. A post office box is not permitted;

13 (16) written summaries of any information regarding
14 instances in which a business or nonprofit organization
15 that a prospective board member previously managed or
16 served on was fined or censured or any instances in which a
17 business or nonprofit organization that a prospective
18 board member previously managed or served on had its
19 registration suspended or revoked in any administrative or
20 judicial proceeding;

21 (17) a plan for community engagement;

22 (18) procedures to ensure accurate recordkeeping and
23 security measures that are in accordance with this Article
24 and Department rules;

25 (19) the estimated volume of hemp concentrate products
26 it plans to store at the hemp concentrate retailer;

1 (20) a description of the features that will provide
2 accessibility to purchasers, as required by the Americans
3 with Disabilities Act;

4 (21) a detailed description of air treatment systems
5 that will be installed to reduce odors;

6 (22) a reasonable assurance that the issuance of a
7 license will not have a detrimental impact on the
8 community in which the applicant wishes to locate;

9 (23) the dated signature of each principal officer;

10 (24) a description of the enclosed, locked facility
11 where hemp concentrate products will be stored by the hemp
12 concentrate retailer;

13 (25) signed statements from each hemp concentrate
14 retailer agent stating that he or she will not divert hemp
15 concentrate products;

16 (26) a diversity plan that includes a narrative of at
17 least 2,500 words that establishes a goal of diversity in
18 ownership, management, employment, and contracting to
19 ensure that diverse participants and groups are afforded
20 equality of opportunity;

21 (27) a contract with a private security contractor
22 that is licensed under Section 10-5 of the Private
23 Detective, Private Alarm, Private Security, Fingerprint
24 Vendor, and Locksmith Act of 2004 in order for the hemp
25 concentrate retailer to have adequate security at its
26 facility; and

1 (28) any other information deemed necessary by the
2 Illinois Cannabis Regulation Oversight Officer to conduct
3 the disparity and availability study referenced in
4 subsection (e) of Section 5-45 of the Cannabis Regulation
5 and Tax Act.

6 Section 15-20. Selection criteria for a hemp concentrate
7 license.

8 (a) An applicant for a hemp concentrate license must
9 submit all required information, including the information
10 required under Section 15-15, to the Department. Failure by an
11 applicant to submit all required information may result in the
12 application being disqualified.

13 (b) If the Department receives an application that fails
14 to provide the required elements contained in this Section,
15 the Department shall issue a deficiency notice to the
16 applicant. The applicant shall have 10 calendar days from the
17 date of the deficiency notice to resubmit the incomplete
18 information. Applications that are still incomplete after this
19 opportunity to cure will not be scored and will be
20 disqualified.

21 (c) The Department shall, by rule, develop a system to
22 score hemp concentrate license applications to
23 administratively rank applications based on the clarity,
24 organization, and quality of the applicant's responses to
25 required information. Applicants shall be awarded points based

1 on the following categories:

2 (1) Suitability of employee training plan. The plan
3 includes an employee training plan that demonstrates that
4 employees will understand the rules and laws to be
5 followed by hemp concentrate retail agents, have knowledge
6 of any security measures and operating procedures of the
7 hemp concentrate retailer, and are able to advise
8 purchasers on how to safely consume hemp concentrate
9 derived products and use individual products offered by
10 the hemp concentrate retailers.

11 (2) Security and recordkeeping.

12 (A) The security plan accounts for the prevention
13 of the theft or diversion of hemp concentrate derived
14 product. The security plan demonstrates safety
15 procedures for hemp concentrate retail agents and
16 purchasers, and safe delivery and storage of hemp
17 concentrate derived products and currency. It
18 demonstrates compliance with all security requirements
19 in this Act and rules.

20 (B) A plan for recordkeeping, tracking, and
21 monitoring inventory, quality control, and other
22 policies and procedures that will promote standard
23 recordkeeping and discourage unlawful activity. This
24 plan includes the applicant's strategy to communicate
25 with the Department and the Illinois State Police on
26 the destruction and disposal of hemp concentrate

1 derived products. The plan must also demonstrate
2 compliance with this Act and rules.

3 (C) The security plan shall also detail which
4 private security contractor licensed under Section
5 10-5 of the Private Detective, Private Alarm, Private
6 Security, Fingerprint Vendor, and Locksmith Act of
7 2004 the dispensary will contract with in order to
8 provide adequate security at its facility.

9 (3) The applicant's business plan, finances,
10 operating, and floor plan.

11 (A) The business plan shall describe, at a
12 minimum, how the retailer will be managed on a
13 long-term basis. This shall include a description of
14 the retailer's point-of-sale system, purchases and
15 denials of sale, confidentiality, and products and
16 services to be offered. It must demonstrate compliance
17 with this Act and rules.

18 (B) The operating plan shall include, at a
19 minimum, best practices for day-to-day retailer
20 operation and staffing. The operating plan may also
21 include information about employment practices,
22 including information about the percentage of
23 full-time employees who will be provided a living
24 wage.

25 (C) The proposed floor plan is suitable for public
26 access, promotes safe sale of hemp concentrate derived

1 products, is compliant with the Americans with
2 Disabilities Act and the Environmental Barriers Act,
3 and facilitates safe product handling and storage.

4 (4) Knowledge and experience.

5 (A) The applicant's principal officers must
6 demonstrate experience and qualifications in business
7 management or experience with the hemp industry. This
8 includes ensuring optimal safety and accuracy in sale
9 of hemp cannabinoid products.

10 (B) The applicant's principal officers must
11 demonstrate knowledge of various hemp cannabinoids or
12 varieties and describe the types and quantities of
13 products planned to be sold. This includes
14 confirmation of whether the hemp concentrate retailer
15 plans to sell consumption paraphernalia or edibles.

16 (C) Knowledge and experience may be demonstrated
17 through experience in other comparable industries that
18 reflect on the applicant's ability to operate a hemp
19 business establishment.

20 (5) Labor and employment practices. The applicant may
21 describe plans to provide a safe, healthy, and
22 economically beneficial working environment for its
23 agents, including, but not limited to, codes of conduct,
24 health care benefits, educational benefits, retirement
25 benefits, living wage standards, and entering a labor
26 peace agreement with employees.

1 (6) Environmental plan. The applicant may demonstrate
2 an environmental plan of action to minimize the carbon
3 footprint, environmental impact, and resource needs for
4 the hemp concentrate retailer, which may include, without
5 limitation, recycling hemp cannabinoid product packaging.

6 (7) Illinois owner. The applicant is 51% or more owned
7 and controlled by an resident of this State who can prove
8 residency in each of the past 5 years with tax records or 2
9 of the following:

10 (A) a signed lease agreement that includes the
11 applicant's name;

12 (B) a property deed that includes the applicant's
13 name;

14 (C) school records;

15 (D) a voter registration card;

16 (E) an Illinois driver's license, an Illinois
17 Identification Card, or an Illinois Person with a
18 Disability Identification Card;

19 (F) a paycheck stub;

20 (G) a utility bill; or

21 (H) any other proof of residency or other
22 information necessary to establish residence as
23 provided by rule.

24 (8) Status as veteran. The applicant is 51% or more
25 controlled and owned by an individual or individuals who
26 meet the qualifications of a veteran, as that term is

1 defined by Section 45-57 of the Illinois Procurement Code.

2 (9) A diversity plan (5% of the total points that may
3 be awarded). The plan includes a narrative of not more
4 than 2,500 words that establishes a goal of diversity in
5 ownership, management, employment, and contracting to
6 ensure that diverse participants and groups are afforded
7 equality of opportunity.

8 (d) The Department may verify information contained in
9 each application and accompanying documentation to assess the
10 applicant's veracity and fitness to operate a hemp concentrate
11 retail organization.

12 (e) The Department may, in its discretion, refuse to issue
13 an authorization to any applicant who:

14 (1) is unqualified to perform the duties required of
15 the applicant;

16 (2) fails to disclose or states falsely any
17 information called for in the application;

18 (3) has been found guilty of a violation of this Act,
19 who has had any disciplinary order entered against it by
20 the Department, who has entered into a disciplinary or
21 nondisciplinary agreement with the Department, or whose
22 medical cannabis dispensing organization, medical cannabis
23 cultivation organization, Early Approval Adult Use
24 Dispensing Organization License, Early Approval Adult Use
25 Dispensing Organization License at a secondary site, Early
26 Approval Cultivation Center License, Conditional Adult Use

1 Cannabis Dispensing Organization License, Adult Use
2 Cannabis Dispensing Organization License, or hemp retail
3 license was suspended, restricted, revoked, or denied for
4 just cause or the applicant's cannabis business
5 establishment license or hemp business establishment
6 license was suspended, restricted, revoked, or denied in
7 any other state; or

8 (4) has engaged in a pattern or practice of unfair or
9 illegal practices, methods, or activities in the conduct
10 of owning a cannabis business establishment, hemp business
11 establishment or other business.

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

17 (g) The Department shall verify an applicant's compliance
18 with the requirements of this Article and rules before issuing
19 a hemp concentrate retailer license.

20 (h) If an applicant is awarded a license, the information
21 and plans provided in the application shall become a condition
22 of the hemp concentrate retailer license except as otherwise
23 provided by this Act or rule. Hemp concentrate retailer
24 organizations shall have a duty to disclose any material
25 changes to the application. The Department shall review all
26 material changes disclosed by the hemp concentrate retailer

1 and may reevaluate its prior decision regarding the awarding
2 of a license, including, but not limited to, suspending or
3 permanently revoking a license. Failure to comply with the
4 conditions or requirements in the application may subject the
5 hemp concentrate retailer to discipline, up to and including
6 suspension or permanent revocation of its authorization or
7 license by the Department.

8 Section 15-25. Hemp concentrate retailer agent
9 identification card; agent training.

10 (a) The Department shall:

11 (1) verify the information contained in an application
12 or renewal for a hemp concentrate retailer agent
13 identification card submitted under this Article, and
14 approve or deny an application or renewal, within 30 days
15 of receiving a completed application or renewal
16 application and all supporting documentation required by
17 rule;

18 (2) issue a hemp concentrate retailer agent
19 identification card to a qualifying agent within 15
20 business days of approving the application or renewal;

21 (3) enter the registry identification number of the
22 hemp concentrate retailer where the agent works;

23 (4) within one year from the effective date of this
24 Act, allow for an electronic application process and
25 provide a confirmation by electronic or other methods that

1 an application has been submitted; and

2 (5) collect a \$100 nonrefundable fee from the
3 applicant to be deposited into the Cannabis Regulation
4 Fund.

5 (b) A hemp concentrate retailer agent must keep the
6 agent's hemp concentrate retailer agent identification card
7 visible at all times when in the hemp concentrate retailer.

8 (c) The hemp concentrate retailer agent identification
9 card shall contain the following:

10 (1) the name of the cardholder;

11 (2) the date of issuance and expiration date of the
12 hemp concentrate retailer agent identification card;

13 (3) a random 10-digit alphanumeric identification
14 number containing at least 4 numbers and at least 4
15 letters that is unique to the cardholder; and

16 (4) a photograph of the cardholder.

17 (d) The hemp concentrate retailer agent identification
18 card shall be immediately returned to the hemp concentrate
19 retailer upon termination of employment.

20 (e) The Department shall not issue a hemp concentrate
21 retailer agent identification card if the applicant is
22 delinquent in filing any required tax returns or paying any
23 amounts owed to the State of Illinois.

24 (f) Any card lost by a hemp concentrate retailer agent
25 shall be reported to the Illinois State Police and the
26 Department immediately upon discovery of the loss.

1 (g) An applicant shall be denied a hemp concentrate
2 retailer agent identification card renewal if the applicant
3 fails to complete the training provided for in this Section.

4 (h) Each owner, manager, employee, and agent of a hemp
5 concentrate retailer shall successfully complete hemp
6 concentrate retail sales training, including completing a
7 responsible vendor program, as follows:

8 (1) 90 days after employment at a licensed hemp
9 concentrate retailer or 90 days after the hemp concentrate
10 retailers receives a license, all owners, managers,
11 employees, and agents involved in the handling or sale of
12 hemp concentrate derived products shall attend and
13 successfully complete a responsible vendor program and
14 annually thereafter.

15 (2) Responsible vendor program training modules shall
16 include at least 2 hours of instruction time approved by
17 the Department, including:

18 (A) Health and safety concerns of hemp concentrate
19 derived products use, including the responsible use of
20 hemp concentrate derived products, its physical
21 effects, onset of physiological effects, recognizing
22 signs of impairment, and appropriate responses in the
23 event of overconsumption.

24 (B) Training on laws and regulations on driving
25 while under the influence and operating a watercraft
26 or snowmobile while under the influence.

1 (C) Sales to minors prohibition, including
2 covering all relevant Illinois laws and rules.

3 (D) Quantity limitations on sales to purchasers,
4 including covering all relevant Illinois laws and
5 rules.

6 (E) Acceptable forms of identification, including:

7 (i) how to check identification; and

8 (ii) common mistakes made in verification.

9 (F) Safe storage of hemp concentrate derived
10 products.

11 (G) Compliance with all inventory tracking system
12 regulations.

13 (H) Waste handling, management, and disposal.

14 (I) Health and safety standards.

15 (J) Maintenance of records.

16 (K) Security and surveillance requirements.

17 (L) Permitting inspections by State and local
18 licensing and enforcement authorities.

19 (M) Privacy issues.

20 (N) Packaging and labeling requirement for sales
21 to purchasers.

22 (O) Other areas as determined by rule.

23 (i) Upon the successful completion of the responsible
24 vendor program, the provider shall deliver proof of completion
25 either through mail or electronic communication to the hemp
26 concentrate retailer, which shall retain a copy of the

1 certificate.

2 (j) The license of a hemp concentrate retailer whose
3 owners, managers, employees, or agents fail to comply with
4 this Section may be suspended, permanently revoked, or may
5 face other disciplinary action.

6 (k) The regulation of hemp concentrate retail sale and
7 employee training is an exclusive function of the State, and
8 regulation by a unit of local government, including a home
9 rule unit, is prohibited. This subsection (k) is a denial and
10 limitation of home rule powers and functions under subsection
11 (h) of Section 6 of Article VII of the Illinois Constitution.

12 (l) Persons seeking Department approval to offer the
13 training required by paragraph (2) of subsection (h) may apply
14 for such approval between August 1 and August 15 of each
15 odd-numbered year in a manner prescribed by the Department.

16 (m) Persons seeking Department approval to offer the
17 training required by paragraph (2) of subsection (h) shall
18 submit a nonrefundable application fee of \$2,000 to be
19 deposited into the Cannabis Regulation Fund or a fee as may be
20 set by rule. Any changes made to the training module shall be
21 approved by the Department.

22 (n) The Department shall not unreasonably deny approval of
23 a training module that meets all the requirements of paragraph
24 (2) of subsection (h). A denial of approval shall include a
25 detailed description of the reasons for the denial.

26 (o) Any person approved to provide the training required

1 by subsection (h) shall submit an application for reapproval
2 between August 1 and August 15 of each odd-numbered year and
3 include a nonrefundable application fee of \$2,000 to be
4 deposited into the Cannabis Regulation Fund or a fee as may be
5 set by rule.

6 (p) All persons applying to become or renewing their
7 registrations to be agents, including agents-in-charge and
8 principal officers, shall disclose any disciplinary action
9 taken against them that may have occurred in Illinois, another
10 state, or another country in relation to their employment at a
11 cannabis business establishment, hemp business establishment,
12 or at any cannabis cultivation center, processor, infuser,
13 dispensary, hemp processor, hemp infuser, or other hemp
14 business establishment.

15 (q) An agent applicant may begin employment at a hemp
16 concentrate retailer while the agent applicant's hemp
17 concentrate retailer agent identification card application is
18 pending. Upon approval, the Department shall issue the agent's
19 hemp concentrate retailer agent identification card to the
20 agent. If denied, the hemp concentrate retailer and the agent
21 applicant shall be notified and the agent applicant must cease
22 all activity at the hemp concentrate retailer immediately.

23 Section 15-30. Renewal.

24 (a) A hemp concentrate retailer license shall expire on
25 March 31 of even-numbered years.

1 (b) A hemp concentrate retail agent identification card
2 shall expire one year from the date it is issued.

3 (c) Any license holder and hemp concentrate retail agent
4 shall submit a renewal application as provided by the
5 Department and pay the required renewal fee. The Department
6 shall require an agent, employee, contracting, and
7 subcontracting diversity report and an environmental impact
8 report with its renewal application. No license or agent
9 identification card shall be renewed if it is currently under
10 revocation or suspension for violation of this Article or any
11 rules that may be adopted under this Article or the licensee,
12 principal officer, board member, person having a financial or
13 voting interest of 5% or greater in the licensee, or agent is
14 delinquent in filing any required tax returns or paying any
15 amounts owed to the State of Illinois.

16 (d) Renewal fees.

17 (1) For a hemp concentrate retailer license, \$30,000,
18 to be deposited into the Cannabis Regulation Fund.

19 (2) For a hemp concentrate retail agent identification
20 card, \$100, to be deposited into the Cannabis Regulation
21 Fund.

22 (e) If a hemp concentrate retailer fails to renew its
23 license before expiration, the hemp concentrate retailer shall
24 cease operations until the license is renewed.

25 (f) If a hemp concentrate retail agent fails to renew the
26 agent's registration before its expiration, the agent shall

1 cease to perform duties authorized by this Article at a hemp
2 concentrate retailer until the agent's registration is
3 renewed.

4 (g) A hemp concentrate retailer that continues to operate
5 without renewal of its license or a hemp concentrate retail
6 agent that continues to perform duties authorized by this
7 Article at a hemp concentrate retailer that has failed to
8 renew its license is subject to penalty as provided in this
9 Article or any rules that may be adopted pursuant to this
10 Article.

11 (h) The Department shall not renew a license if the
12 applicant is delinquent in filing required tax returns or
13 paying amounts owed to the State of Illinois. The Department
14 shall not renew a hemp concentrate retail agent identification
15 card if the applicant is delinquent in filing any required tax
16 returns or paying any amounts owed to the State of Illinois.

17 Section 15-35. Disclosure of ownership and control.

18 (a) Each hemp concentrate retailer applicant and licensee
19 shall file and maintain a table of organization, ownership,
20 and control with the Department. The table of organization,
21 ownership, and control shall contain the information required
22 by this Section in sufficient detail to identify all owners,
23 directors, and principal officers and the title of each
24 principal officer or business entity that, through direct or
25 indirect means, manages, owns, or controls the applicant or

1 licensee.

2 (b) The table of organization, ownership, and control
3 shall identify the following information:

4 (1) The management structure, ownership, and control
5 of the applicant or license holder, including the name of
6 each principal officer or business entity, the office or
7 position held, and the percentage ownership interest, if
8 any. If the business entity has a parent company, the name
9 of each owner, board member, and officer of the parent
10 company and the percentage ownership interest in the
11 parent company and the retailer.

12 (2) If the applicant or licensee is a business entity
13 with publicly traded stock, the identification of
14 ownership shall be provided as required in subsection (c).

15 (c) If a business entity identified in subsection (b) is a
16 publicly traded company, the following information shall be
17 provided in the table of organization, ownership, and control:

18 (1) The name and percentage of ownership interest of
19 each individual or business entity with ownership of more
20 than 5% of the voting shares of the entity, to the extent
21 such information is known or contained in 13D or 13G
22 Securities and Exchange Commission filings.

23 (2) To the extent known, the names and percentage of
24 interest of ownership of persons who are relatives of one
25 another and who together exercise control over or own more
26 than 10% of the voting shares of the entity.

1 (d) A hemp concentrate retailer with a parent company or
2 companies, or partially owned or controlled by another entity,
3 must disclose to the Department the relationship and all
4 owners, board members, officers, or individuals with control
5 or management of those entities. A hemp concentrate shall not
6 shield its ownership or control from the Department.

7 (e) All principal officers must submit a complete online
8 application with the Department within 14 days of the hemp
9 concentrate retailer being licensed by the Department or
10 within 14 days of Department notice of approval as a new
11 principal officer.

12 (f) A principal officer may not allow the principal
13 officer's registration to expire.

14 (g) A hemp concentrate retailer separating with a
15 principal officer must do so under this Act. The principal
16 officer must communicate the separation to the Department
17 within 5 business days.

18 (h) A principal officer not in compliance with the
19 requirements of this Act shall be removed from the principal
20 officer's position with the hemp concentrate retailer or shall
21 otherwise terminate the principal officer's affiliation.
22 Failure to do so may subject the hemp concentrate retailer to
23 discipline, suspension, or revocation of its license by the
24 Department.

25 (i) It is the responsibility of the hemp concentrate
26 retailer and its principal officers to promptly notify the

1 Department of any change of the principal place of business
2 address, hours of operation, change in ownership or control,
3 or a change of the hemp concentrate retailer primary or
4 secondary contact information. Any changes must be made to the
5 Department in writing.

6 Section 15-40. Financial responsibility. Evidence of
7 financial responsibility is a requirement for the issuance,
8 maintenance, or reactivation of a license under this Article.
9 Evidence of financial responsibility shall be used to
10 guarantee that the hemp concentrate retailer timely and
11 successfully completes construction, operates in a manner that
12 provides an uninterrupted supply of hemp concentrate derived
13 products, faithfully pays registration renewal fees, keeps
14 accurate books and records, makes regularly required reports,
15 complies with State tax requirements, and conducts the hemp
16 concentrate retailer in conformity with this Act and rules.
17 Evidence of financial responsibility shall be provided by one
18 of the following:

19 (1) Establishing and maintaining an escrow or surety
20 account in a financial institution in the amount of
21 \$50,000, with escrow terms, approved by the Department,
22 that it shall be payable to the Department as provided in
23 this Act and rules. The following applies to escrow or
24 surety accounts:

25 (A) A financial institution may not return money

1 in an escrow or surety account to the hemp concentrate
2 retailer that established the account or a
3 representative of the organization unless the
4 organization or representative presents a statement
5 issued by the Department indicating that the account
6 may be released.

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

17 (2) Providing a surety bond in the amount of \$50,000
18 and naming the hemp concentrate retailer as principal of
19 the bond, with terms approved by the Department that the
20 bond defaults to the Department in the event of
21 circumstances outlined in this Act and rules. Bond terms
22 shall include:

23 (A) The business name and registration number on
24 the bond must correspond exactly with the business
25 name and registration number in the Department's
26 records.

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

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

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

14 Section 15-45. Changes to a hemp concentrate retailer.

15 (a) A license shall be issued to the specific hemp
16 concentrate retailer identified on the application and for the
17 specific location proposed. The license is valid only as
18 designated on the license and for the location for which it is
19 issued.

20 (b) A hemp concentrate retailer may only add principal
21 officers approved by the Department.

22 (c) A hemp concentrate retailer shall provide written
23 notice of the removal of a principal officer within 5 business
24 days after removal. The notice shall include the written
25 agreement of the principal officer being removed, unless

1 otherwise approved by the Department, and allocation of
2 ownership shares after removal in an updated ownership chart.

3 (d) A hemp concentrate retailer shall provide a written
4 request to the Department for the addition of principal
5 officers. A hemp concentrate retailer shall submit proposed
6 principal officer applications on forms approved by the
7 Department.

8 (e) Any proposed new principal officer shall be subject to
9 the requirements of this Act and any rules that may be adopted
10 pursuant to this Act.

11 (f) The Department may prohibit the addition of a
12 principal officer to a hemp concentrate retailer for failure
13 to comply with this Act and any rules that may be adopted
14 pursuant to this Act.

15 (g) A hemp concentrate retailer may not assign a license.

16 (h) A hemp concentrate retailer may not transfer a license
17 without prior Department approval. Such approval may be
18 withheld if the person to whom the license is being
19 transferred does not commit to the same or a similar community
20 engagement plan provided as part of the hemp concentrate
21 retailer's application and such transferee's license shall be
22 conditional upon that commitment.

23 (i) With the addition or removal of principal officers,
24 the Department shall review the ownership structure to
25 determine whether the change in ownership has had the effect
26 of a transfer of the license. The hemp concentrate retailer

1 shall supply all ownership documents requested by the
2 Department.

3 (j) A hemp concentrate retailer may apply to the
4 Department to approve a sale of the hemp concentrate retailer.
5 A request to sell the hemp concentrate retailer must be on
6 application forms provided by the Department and must comply
7 with the following:

8 (1) New application materials shall comply with this
9 Act and any rules that may be adopted pursuant to this Act.

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

13 (3) The application materials shall provide proof that
14 the transfer of ownership will not have the effect of
15 granting any of the owners or principal officers direct or
16 indirect ownership or control of more than 10 hemp
17 business establishments.

18 (4) Any new principal officer shall each complete the
19 proposed new principal officer application.

20 (5) If the Department approves the application
21 materials and proposed new principal officer applications,
22 it shall perform an inspection before approving the sale
23 and issuing the hemp concentrate retailer license.

24 (6) If a new license is approved, the Department shall
25 issue a new license number and certificate to the new hemp
26 concentrate retailer.

1 (k) The hemp concentrate retailer shall provide the
2 Department with the personal information for all new hemp
3 concentrate retail agents as required in this Article and all
4 new hemp concentrate retail agents shall be subject to the
5 requirements of this Article. A hemp concentrate retail agent
6 must obtain a hemp concentrate retail agent identification
7 card from the Department before beginning work at a hemp
8 concentrate retailer.

9 (l) Before remodeling, expansion, reduction, or other
10 physical, noncosmetic alteration of a hemp concentrate
11 retailer physical space, the hemp concentrate retailer must
12 notify the Department and confirm the alterations are in
13 compliance with this Act and any rules that may be adopted
14 pursuant to this Act.

15 Section 15-50. Administration.

16 (a) A hemp concentrate retailer shall establish, maintain,
17 and comply with written policies and procedures as submitted
18 in the business, financial, and operating plan as required in
19 this Article or by rules established by the Department, and
20 approved by the Department, for the security, storage,
21 inventory, and distribution of hemp concentrate derived
22 products. The policies and procedures shall include methods
23 for identifying, recording, and reporting diversion, theft, or
24 loss, and for correcting errors and inaccuracies in
25 inventories. At a minimum, hemp concentrate retailers shall

1 ensure the written policies and procedures provide for the
2 following:

3 (1) Mandatory and voluntary recalls of hemp
4 concentrate derived products. The policies shall be
5 adequate to deal with recalls due to any action initiated
6 at the request of the Department and any voluntary action
7 by the hemp concentrate retailer to remove defective or
8 potentially defective hemp concentrate derived products
9 from the market or any action undertaken to promote public
10 health and safety, including:

11 (A) a mechanism reasonably calculated to contact
12 purchasers who have, or likely have, obtained the
13 product from the hemp concentrate retailer, including
14 information on the policy for return of the recalled
15 product;

16 (B) a mechanism to identify and contact the hemp
17 concentrate infuser or hemp processor that
18 manufactured the hemp concentrate derived product;

19 (C) policies for communicating with the Department
20 and the Department of Public Health within 24 hours
21 after discovering defective or potentially defective
22 hemp concentrate derived products; and

23 (D) policies for destruction of any recalled hemp
24 concentrate derived product.

25 (2) Responses to local, State, or national
26 emergencies, including natural disasters, that affect the

1 security or operation of a hemp concentrate retailer.

2 (3) Segregation and destruction of outdated, damaged,
3 deteriorated, misbranded, or adulterated hemp concentrate
4 derived products. This procedure shall provide for written
5 documentation of the hemp concentrate derived products
6 disposition.

7 (4) Ensure the oldest stock of a hemp concentrate
8 derived product is distributed first. The procedure may
9 permit deviation from this requirement, if such deviation
10 is temporary and appropriate.

11 (5) Training of hemp concentrate retail agents in the
12 provisions of this Act and any rules adopted to
13 effectively operate the point-of-sale system and the
14 State's verification system, proper inventory handling and
15 tracking, specific uses of hemp concentrate derived
16 products, instruction regarding regulatory inspection
17 preparedness and law enforcement interaction, awareness of
18 the legal requirements for maintaining status as an agent,
19 and any other topics as specified by the hemp concentrate
20 retailer or the Department. The hemp concentrate retailer
21 shall maintain evidence of all training provided to each
22 agent in its files that is subject to inspection and audit
23 by the Department. The hemp concentrate retailer shall
24 ensure agents receive at least 8 hours of training subject
25 to the requirements in subsection (h) of Section 15-25
26 annually, unless otherwise approved by the Department.

1 (6) Maintenance of business records consistent with
2 industry standards, including bylaws, consents, manual or
3 computerized records of assets and liabilities, audits,
4 monetary transactions, journals, ledgers, and supporting
5 documents, including agreements, checks, invoices,
6 receipts, and vouchers. Records shall be maintained in a
7 manner consistent with this Act and shall be retained for
8 5 years.

9 (7) Inventory control, including:

10 (A) tracking purchases and denials of sale; and

11 (B) disposal of unusable or damaged hemp
12 concentrate derived products as required by this Act
13 and rules.

14 (8) Purchaser education and support, including:

15 (A) current educational information issued by the
16 Department of Public Health about the health risks
17 associated with the use or abuse of hemp concentrate
18 derived products;

19 (B) information about possible side effects;

20 (C) prohibition on smoking hemp concentrate
21 derived products in public places; and

22 (D) offering any other appropriate purchaser
23 education or support materials.

24 (b) A hemp concentrate retailer shall maintain copies of
25 the policies and procedures on the hemp concentrate retailer
26 premises and provide copies to the Department upon request.

1 The hemp concentrate retailer shall review the hemp
2 concentrate retailer policies and procedures at least once
3 every 12 months from the issue date of the license and update
4 as needed due to changes in industry standards or as requested
5 by the Department.

6 (c) A hemp concentrate retailer shall ensure that each
7 principal officer and each hemp concentrate retail agent has a
8 current hemp concentrate retailer agent identification card in
9 the agent's immediate possession when the agent is at the hemp
10 concentrate retailer.

11 (d) A hemp concentrate retailer shall provide prompt
12 written notice to the Department, including the date of the
13 event, when a hemp concentrate retail agent no longer is
14 employed by the hemp concentrate retailer.

15 (e) A hemp concentrate retailer and hemp concentrate
16 retailer agent shall promptly document and report any loss or
17 theft of hemp concentrate derived product from the hemp
18 concentrate retailer to the Illinois State Police and the
19 Department.

20 (f) A hemp concentrate retailer shall post the following
21 information and signage in a conspicuous location in an area
22 of the hemp concentrate retailer accessible to consumers:

23 (1) The hemp concentrate retailer's license.

24 (2) The hours of operation.

25 (3) A placard that states the following: "Hemp
26 concentrate derived products consumption can impair

1 cognition and driving, is for adult use only, may be habit
2 forming, and should not be used by pregnant or
3 breastfeeding women.".

4 (4) A hemp concentrate retailer that sells edible hemp
5 concentrate derived products must display a placard that
6 states the following:

7 (A) "Edible hemp concentrate derived products were
8 produced in a kitchen that may also process common
9 food allergens."; and

10 (B) "The effects of hemp concentrate derived
11 products can vary from person to person, and it can
12 take as long as two hours to feel the effects of some
13 hemp concentrate derived products. Carefully review
14 the portion size information and warnings contained on
15 the product packaging before consuming.".

16 All of the required signage in paragraphs (3) and (4)
17 shall be no smaller than 24 inches tall by 36 inches wide, with
18 typed letters no smaller than 2 inches. The signage shall be
19 clearly visible and readable by customers. The signage shall
20 be placed in the area where hemp concentrate derived products
21 are sold and may be translated into additional languages as
22 needed. The Department may require a hemp concentrate retailer
23 to display the required signage in a different language, other
24 than English, if the Secretary deems it necessary.

25 (g) A hemp concentrate retailer shall prominently post
26 notices inside the hemp concentrate retailer that state

1 activities that are strictly prohibited and punishable by law,
2 including, but not limited to:

- 3 (1) no minors permitted on the premises; and
4 (2) distribution to persons under the age of 21 is
5 prohibited.

6 Section 15-55. Operational requirements; prohibitions.

7 (a) A hemp concentrate retailer shall operate in
8 accordance with the representations made in its application
9 and license materials. It shall be in compliance with this Act
10 and rules.

11 (b) A hemp concentrate retailer must include the legal
12 name of the hemp concentrate retailer on the packaging of any
13 hemp concentrate derived product it sells.

14 (c) Hemp concentrate derived product must be obtained from
15 an Illinois-registered adult use craft grower that meets the
16 requirements of a Social Equity Applicant, adult use cannabis
17 infuser that meets the requirements of a Social Equity
18 Applicant, a hemp concentrate infuser, or hemp processor.

19 (d) A hemp concentrate retailer may not sell any product
20 containing alcohol except tinctures that are limited to
21 containers no larger than 100 milliliters.

22 (e) A hemp concentrate retailer shall inspect and count
23 product received from a State registered adult use craft
24 grower that meets the requirements of a Social Equity
25 Applicant, an adult use cannabis infuser that meets the

1 requirements of a Social Equity Applicant, an adult use
2 cannabis transporter that meets the requirements of a Social
3 Equity Applicant, a hemp concentrate infuser, hemp processor,
4 or hemp distributor before selling it.

5 (f) A hemp concentrate retailer may only accept hemp
6 concentrate derived product deliveries into a restricted
7 access area. Deliveries may not be accepted through the public
8 or limited access areas unless otherwise approved by the
9 Department.

10 (g) A hemp concentrate retailer shall maintain compliance
11 with State and local building, fire, and zoning requirements
12 or regulations.

13 (h) A hemp concentrate retailer shall submit a list to the
14 Department of the names of any service professional that will
15 work at the hemp concentrate retailer. The list shall include
16 a description of the type of business or service provided.
17 Changes to the service professional list shall be promptly
18 provided. No service professional shall work in the hemp
19 concentrate retailer until the name is provided to the
20 Department on the service professional list.

21 (i) A hemp concentrate retailer license allows the hemp
22 concentrate retailer to be operated only at a single location.

23 (j) A hemp concentrate retailer may operate between 6 a.m.
24 and 10 p.m. local time.

25 (k) A hemp concentrate retailer must keep all lighting
26 outside and inside the hemp concentrate retailer in good

1 working order and at a wattage sufficient for security
2 cameras.

3 (l) A hemp concentrate retailer must keep all air
4 treatment systems that will be installed to reduce odors in
5 good working order.

6 (m) A hemp concentrate retailer must contract with a
7 private security contractor that is licensed under Section
8 10-5 of the Private Detective, Private Alarm, Private
9 Security, Fingerprint Vendor, and Locksmith Act of 2004 to
10 provide on-site security at all hours of the hemp concentrate
11 retailer.

12 (n) A hemp concentrate retailer shall ensure that any
13 building or equipment used by a hemp concentrate retailer for
14 the storage or sale of hemp concentrate derived products is
15 maintained in a clean and sanitary condition.

16 (o) The hemp concentrate retailer shall be free from
17 infestation by insects, rodents, or pests.

18 (p) A hemp concentrate retailer may not:

19 (1) produce or manufacture hemp concentrate derived
20 products;

21 (2) accept a hemp concentrate derived product from an
22 Illinois-registered adult use craft grower that meets the
23 requirements of a Social Equity Applicant, an adult use
24 cannabis infuser that meets the requirements of a Social
25 Equity Applicant, an adult use cannabis transporter that
26 meets the requirements of a Social Equity Applicant, a

1 hemp concentrate infuser, hemp processor, or hemp
2 distributor;

3 (3) enter into an exclusive agreement with any
4 Illinois-registered adult use craft grower that meets the
5 requirements of a Social Equity Applicant, an adult use
6 cannabis infuser that meets the requirements of a Social
7 Equity Applicant, a hemp concentrate infuser, or hemp
8 processor. Hemp concentrate retailer shall provide
9 consumers an assortment of products from various hemp
10 business establishment licensees and hemp business
11 establishment licensees such that the inventory available
12 for sale at any hemp concentrate retailer from any single
13 Illinois-registered adult use craft grower that meets the
14 requirements of a Social Equity Applicant, an adult use
15 cannabis infuser that meets the requirements of a Social
16 Equity Applicant, a hemp concentrate infuser, or hemp
17 processor entity shall not be more than 40% of the total
18 inventory available for sale. For the purpose of this
19 subsection, an Illinois-registered adult use craft grower
20 that meets the requirements of a Social Equity Applicant,
21 an adult use cannabis infuser that meets the requirements
22 of a Social Equity Applicant, a hemp concentrate infuser,
23 or hemp processor shall be considered part of the same
24 entity if the licensees share at least one principal
25 officer. The Department may request that a hemp
26 concentrate retailer diversify its products as needed or

1 otherwise discipline a hemp concentrate retailer for
2 violating this requirement;

3 (4) refuse to conduct business with an
4 Illinois-registered adult use craft grower that meets the
5 requirements of a Social Equity Applicant, an adult use
6 cannabis infuser that meets the requirements of a Social
7 Equity Applicant, an adult use cannabis transporter that
8 meets the requirements of a Social Equity Applicant, a
9 hemp concentrate infuser, hemp processor, or hemp
10 distributor that has the ability to properly deliver the
11 product and is permitted by the Department, on the same
12 terms as other Illinois-registered adult use craft grower
13 that meets the requirements of a Social Equity Applicant,
14 an adult use cannabis infuser that meets the requirements
15 of a Social Equity Applicant, an adult use cannabis
16 transporter that meets the requirements of a Social Equity
17 Applicant, a hemp concentrate infuser, hemp processor, or
18 hemp distributor with whom it is dealing;

19 (5) operate drive-through windows;

20 (6) allow for the sale of hemp concentrate derived
21 products in vending machines;

22 (7) transport hemp concentrate derived products to
23 residences or other locations where purchasers may be for
24 delivery;

25 (8) enter into agreements to allow persons who are
26 hemp concentrate retail agents to deliver hemp concentrate

1 derived products or to transport hemp concentrate derived
2 products to purchasers;

3 (9) operate a hemp concentrate retailer if its video
4 surveillance equipment is inoperative;

5 (10) operate a hemp concentrate retailer if the
6 point-of-sale equipment is inoperative;

7 (11) operate a hemp concentrate retailer if the
8 State's hemp concentrate derived products electronic
9 verification system is inoperative;

10 (12) have fewer than 2 people working at the hemp
11 concentrate retailer at any time while the hemp
12 concentrate retailer is open;

13 (13) be located within 1,500 feet of the property line
14 of a preexisting cannabis dispensing organization or a
15 hemp concentrate retailer unless the applicant is
16 Qualifying Applicant or Social Equity Justice Involved
17 Applicant under the Cannabis Regulation and Tax Act;

18 (14) sell hemp concentrate derived products in
19 combination or bundled with each other or any other items
20 for one price. Each item of hemp concentrate derived
21 product must be separately identified by quantity and
22 price on the receipt;

23 (15) sell cannabis, cannabis infused products, or
24 cannabis concentrate that is regulated under the Cannabis
25 Regulation and Tax Act; or

26 (16) violate any other requirements or prohibitions

1 set by Department rules.

2 (q) It is unlawful for any person having a hemp
3 concentrate retailer license or any officer, associate,
4 member, representative, or agent of such licensee to accept,
5 receive, or borrow money or anything else of value or accept or
6 receive credit, other than merchandising credit in the
7 ordinary course of business for a period not to exceed 30 days,
8 directly or indirectly from any Illinois-registered adult use
9 craft grower that meets the requirements of a Social Equity
10 Applicant, an adult use cannabis infuser that meets the
11 requirements of a Social Equity Applicant, an adult use
12 cannabis transporter that meets the requirements of a Social
13 Equity Applicant, a hemp concentrate infuser, hemp processor,
14 or hemp distributor in exchange for preferential placement on
15 the shelves, display cases, or website of a hemp concentrate
16 retailer or a Qualifying Applicant or Social Equity Justice
17 Involved Applicant dispensary under the Cannabis Regulation
18 and Tax Act. This includes anything received or borrowed or
19 from any stockholders, officers, agents, or persons connected
20 with an Illinois-registered adult use craft grower that meets
21 the requirements of a Social Equity Applicant, an adult use
22 cannabis infuser that meets the requirements of a Social
23 Equity Applicant, an adult use cannabis transporter that meets
24 the requirements of a Social Equity Applicant, a hemp
25 concentrate infuser, hemp processor, or hemp distributor.

26 (r) It is unlawful for any person having a hemp

1 concentrate retailer license to enter into any contract with
2 any person licensed to infuse, process, or transport hemp
3 concentrate derived products whereby such hemp concentrate
4 retailer agrees not to sell any hemp concentrate derived
5 product infused, processed, transported, manufactured, or
6 distributed by any other Illinois-registered adult use craft
7 grower that meets the requirements of a Social Equity
8 Applicant, an adult use cannabis infuser that meets the
9 requirements of a Social Equity Applicant, an adult use
10 cannabis transporter that meets the requirements of a Social
11 Equity Applicant, a hemp concentrate infuser, hemp processor,
12 or hemp distributor and any provision in any contract
13 violative of this Section shall render the whole of such
14 contract void and no action shall be brought thereon in any
15 court.

16 Section 15-60. Inventory control system.

17 (a) A hemp concentrate retailer agent-in-charge shall have
18 primary oversight of the hemp concentrate retailer hemp
19 concentrate derived product inventory verification system, and
20 its point-of-sale system. The inventory point-of-sale system
21 shall be real-time, web-based, and accessible by the
22 Department at any time. The point-of-sale system shall track,
23 at a minimum the date of sale, amount, price, and currency.

24 (b) A hemp concentrate retailer shall establish an account
25 with the State's verification system that documents the

1 following:

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

5 (2) Acquisition of hemp concentrate derived products
6 from an Illinois-registered adult use craft grower that
7 meets the requirements of a Social Equity Applicant, an
8 adult use cannabis infuser that meets the requirements of
9 a Social Equity Applicant, an adult use cannabis
10 transporter that meets the requirements of a Social Equity
11 Applicant, a hemp concentrate infuser, hemp processor, or
12 hemp distributor, including the following:

13 (A) A description of the products, including the
14 quantity, variety, and batch number of each product
15 received.

16 (B) The name and registry identification number of
17 the Illinois-registered adult use craft grower that
18 meets the requirements of a Social Equity Applicant,
19 an adult use cannabis infuser that meets the
20 requirements of a Social Equity Applicant, a hemp
21 concentrate infuser, or hemp processor providing the
22 hemp concentrate derived product.

23 (C) The name and registry identification number of
24 the Illinois-registered adult use craft grower that
25 meets the requirements of a Social Equity Applicant,
26 an adult use cannabis infuser that meets the

1 requirements of a Social Equity Applicant, an adult
2 use cannabis transporter that meets the requirements
3 of a Social Equity Applicant, a hemp concentrate
4 infuser, hemp processor, or hemp distributor agent
5 delivering the hemp concentrate derived product.

6 (D) The name and registry identification number of
7 the hemp concentrate retail agent receiving the hemp
8 concentrate derived products.

9 (E) The date of acquisition.

10 (3) The disposal of hemp concentrate derived product,
11 including the following:

12 (A) A description of the products, including the
13 quantity, variety, batch number, and reason for the
14 hemp concentrate derived product being disposed.

15 (B) The method of disposal.

16 (C) The date and time of disposal.

17 (c) Upon hemp concentrate derived product delivery, a hemp
18 concentrate retailer shall confirm the product's name, hemp
19 concentrate, weight, and identification number on the manifest
20 matches the information on the hemp concentrate derived
21 product label and package. The product name listed and the
22 weight listed in the State's verification system shall match
23 the product packaging.

24 (d) The agent-in-charge shall conduct daily inventory
25 reconciliation documenting and balancing hemp concentrate
26 derived product inventory by confirming the State's

1 verification system matches the hemp concentrate retailer's
2 point-of-sale system and the amount of physical product at the
3 hemp concentrate retailer as follows:

4 (1) A hemp concentrate retailer must receive
5 Department approval before completing an inventory
6 adjustment. It shall provide a detailed reason for the
7 adjustment. Inventory adjustment documentation shall be
8 kept at the dispensary for 2 years from the date
9 performed.

10 (2) If the hemp concentrate retailer identifies an
11 imbalance in the amount of hemp concentrate derived
12 product after the daily inventory reconciliation due to
13 mistake, the hemp concentrate retailer shall determine how
14 the imbalance occurred and immediately, upon discovery,
15 take and document corrective action. If the hemp
16 concentrate retailer cannot identify the reason for the
17 mistake within 2 calendar days after it first discovered
18 the mistake, it shall inform the Department immediately in
19 writing of the imbalance and the corrective action taken
20 to date. The hemp concentrate retailer shall work
21 diligently to determine the reason for the mistake.

22 (3) If the hemp concentrate retailer identifies an
23 imbalance in the amount of hemp concentrate derived
24 product after the daily inventory reconciliation or
25 through other means due to theft, criminal activity, or
26 suspected criminal activity, the hemp concentrate retailer

1 shall immediately determine how the reduction occurred and
2 take and document corrective action. Within 24 hours after
3 the first discovery of the reduction due to theft,
4 criminal activity, or suspected criminal activity, the
5 hemp concentrate retailer shall inform the Department and
6 the Illinois State Police in writing.

7 (4) The hemp concentrate retailer shall file an annual
8 compilation report with the Department, including a
9 financial statement that shall include, but not be limited
10 to, an income statement, balance sheet, profit and loss
11 statement, statement of cash flow, wholesale cost and
12 sales, and any other documentation requested by the
13 Department in writing. The financial statement shall
14 include any other information the Department deems
15 necessary in order to effectively administer this Act and
16 all rules, orders, and final decisions adopted under this
17 Act. Reports required by this paragraph shall be filed
18 with the Department within 60 days after the end of the
19 calendar year. The report shall include a letter authored
20 by a licensed certified public accountant that it has been
21 reviewed and is accurate based on the information
22 provided. The hemp concentrate retailer's, financial
23 statement, and accompanying documents are not required to
24 be audited unless specifically requested by the
25 Department.

26 (e) A hemp concentrate retailer shall:

1 (1) maintain the documentation required in this
2 Section in a secure locked location at the retailer for 5
3 years from the date on the document;

4 (2) provide any documentation required to be
5 maintained in this Section to the Department for review
6 upon request; and

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

10 (f) If a hemp concentrate retailer chooses to have a
11 return policy for hemp concentrate derived product, the hemp
12 concentrate retailer shall seek prior approval from the
13 Department.

14 Section 15-65. Storage requirements.

15 (a) A hemp concentrate retailer must store inventory on
16 its premises. All inventory stored on the premises must be
17 secured in a restricted access area and tracked consistently
18 with the inventory tracking rules.

19 (b) A hemp concentrate retailer shall be of suitable size
20 and construction to facilitate cleaning, maintenance, and
21 proper operations.

22 (c) A hemp concentrate retailer shall maintain adequate
23 lighting, ventilation, temperature, humidity control, and
24 equipment.

25 (d) Containers storing hemp concentrate derived products

1 that have been tampered with, damaged, or opened shall be
2 labeled with the date opened and quarantined from other hemp
3 concentrate derived products in the vault until they are
4 disposed.

5 (e) Hemp concentrate derived products that was tampered
6 with, expired, or damaged shall not be stored at the premises
7 for more than 7 calendar days.

8 (f) Hemp concentrate derived product samples shall be in a
9 sealed container. Samples shall be maintained in the
10 restricted access area.

11 (g) The hemp concentrate retailer storage areas shall be
12 maintained in accordance with the security requirements in
13 this Act and rules.

14 (h) Hemp concentrate derived products must be stored at
15 appropriate temperatures and under appropriate conditions to
16 help ensure that its packaging, strength, quality, and purity
17 are not adversely affected.

18 Section 15-70. Dispensing hemp concentrate derived
19 products.

20 (a) Before a hemp concentrate retail agent dispenses hemp
21 concentrate derived products to a purchaser, the agent shall
22 do all of the following:

23 (1) Verify the age of the purchaser by checking a
24 government-issued identification card by use of an
25 electronic reader or electronic scanning device to scan a

1 purchaser's government-issued identification, if
2 applicable, to determine the purchaser's age and the
3 validity of the identification.

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

10 (3) Offer any appropriate purchaser education or
11 support materials.

12 (4) Enter the following information into the State's
13 hemp concentrate derived products electronic verification
14 system:

15 (A) the hemp concentrate retail agent's
16 identification number, or if the agent's card
17 application is pending the Department's approval, a
18 temporary and unique identifier until the agent's card
19 application is approved or denied by the Department;

20 (B) the hemp concentrate retailer identification
21 number;

22 (C) the amount and type of hemp concentrate
23 derived product sold; and

24 (D) the date and time the hemp concentrate derived
25 product was sold.

26 (b) A hemp concentrate retailer shall refuse to sell hemp

1 concentrate derived product to any person unless the person
2 produces a valid identification showing that the person is 21
3 years of age or older.

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

6 (1) be valid and unexpired; and

7 (2) contain a photograph and the date of birth of the
8 person.

9 Section 15-75. Destruction and disposal of hemp
10 concentrate derived products.

11 (a) Hemp concentrate derived products must be destroyed by
12 rendering them unusable using methods approved by the
13 Department that comply with this Act and rules.

14 (b) Hemp concentrate derived products waste rendered
15 unusable must be promptly disposed according to this Act and
16 rules. Disposal of the hemp concentrate derived products waste
17 rendered unusable may be delivered to a permitted solid waste
18 facility for final disposition. Acceptable permitted solid
19 waste facilities include, but are not limited to, the
20 following:

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

24 (2) Noncompostable mixed waste: landfill, incinerator,
25 or other facility with approval of the jurisdictional

1 health department.

2 (c) All waste and unusable product shall be weighed,
3 recorded, and entered into the inventory system before
4 rendering it unusable. All waste and unusable hemp concentrate
5 derived products shall be recorded and entered into the
6 inventory system before rendering it unusable. Verification of
7 this event shall be performed by an agent-in-charge and
8 conducted in an area with video surveillance.

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

11 Section 15-80. Agent-in-charge.

12 (a) Every hemp concentrate retailer shall designate, at a
13 minimum, one agent-in-charge for each licensed hemp
14 concentrate retailer. The designated agent-in-charge must hold
15 a hemp concentrate retail agent identification card.
16 Maintaining an agent-in-charge is a continuing requirement for
17 the license, except as provided in subsection (f).

18 (b) The agent-in-charge shall be a principal officer or a
19 full-time agent of the hemp concentrate retailer and shall
20 manage the hemp concentrate retailer. Managing the hemp
21 concentrate retailer includes, but is not limited to,
22 responsibility for opening and closing the hemp concentrate
23 retailer, delivery acceptance, oversight of sales and hemp
24 concentrate retail agents, recordkeeping, inventory, hemp
25 concentrate retail agent training, and compliance with this

1 Act and rules. Participation in affairs also includes the
2 responsibility for maintaining all files subject to audit or
3 inspection by the Department at the hemp concentrate retailer.

4 (c) The agent-in-charge is responsible for promptly
5 notifying the Department of any change of information required
6 to be reported to the Department.

7 (d) In determining whether an agent-in-charge manages the
8 hemp concentrate retailer, the Department may consider the
9 responsibilities identified in this Section, the number of
10 hemp concentrate retail agents under the supervision of the
11 agent-in-charge, and the employment relationship between the
12 agent-in-charge and the hemp concentrate retailer, including
13 the existence of a contract for employment and any other
14 relevant fact or circumstance.

15 (e) The agent-in-charge is responsible for notifying the
16 Department of a change in the employment status of all hemp
17 concentrate retail agents within 5 business days after the
18 change, including notice to the Department if the termination
19 of an agent was for diversion of product or theft of currency.

20 (f) If an agent-in-charge is separated due to death,
21 incapacity, termination, or any other reason and if the hemp
22 concentrate retailer does not have an active agent-in-charge,
23 the hemp concentrate retailer shall immediately contact the
24 Department and request a temporary certificate of authority
25 allowing the continuing operation. The request shall include
26 the name of an interim agent-in-charge until a replacement is

1 identified, or shall include the name of the replacement. The
2 Department shall issue the temporary certificate of authority
3 promptly after it approves the request. If a hemp concentrate
4 retailer fails to promptly request a temporary certificate of
5 authority after the separation of the agent-in-charge, its
6 registration shall cease until the Department approves the
7 temporary certificate of authority or registers a new
8 agent-in-charge. No temporary certificate of authority shall
9 be valid for more than 90 days. The succeeding agent-in-charge
10 shall register with the Department in compliance with this
11 Article. Once the permanent succeeding agent-in-charge is
12 registered with the Department, the temporary certificate of
13 authority is void. No temporary certificate of authority shall
14 be issued for the separation of an agent-in-charge due to
15 disciplinary action by the Department related to the
16 agent-in-charge's conduct on behalf of the hemp concentrate
17 retailer.

18 (g) The hemp concentrate retail agent-in-charge
19 registration shall expire one year from the date it is issued.
20 The agent-in-charge's registration shall be renewed annually.
21 The Department shall review the hemp concentrate retailer's
22 compliance history when determining whether to grant the
23 request to renew.

24 (h) Upon termination of an agent-in-charge's employment,
25 the hemp concentrate retailer shall immediately reclaim the
26 hemp concentrate retail agent identification card. The hemp

1 concentrate retailer shall promptly return the identification
2 card to the Department.

3 (i) The Department may deny an application or renewal or
4 discipline or revoke an agent-in-charge's hemp concentrate
5 retail agent identification card for any of the following
6 reasons:

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

10 (2) Violation of the requirements of this Act or
11 rules.

12 (3) Fraudulent use of the agent-in-charge's hemp
13 concentrate retail agent identification card.

14 (4) Selling, distributing, transferring in any manner,
15 or giving hemp concentrate derived products to any
16 unauthorized person.

17 (5) Theft of hemp concentrate derived products,
18 currency, or any other items from a hemp concentrate
19 retailer.

20 (6) Tampering with, falsifying, altering, modifying,
21 or duplicating an agent-in-charge's hemp concentrate
22 retail agent identification card.

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

26 (8) Failure to notify the Department immediately upon

1 discovery that the agent-in-charge identification card has
2 been lost, stolen, or destroyed.

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

6 (10) Conviction of a felony offense under Section
7 2105-131, 2105-135, or 2105-205 of the Department of
8 Professional Regulation Law of the Civil Administrative
9 Code of Illinois or any incident listed in this Act or
10 rules following the issuance of an agent-in-charge's hemp
11 concentrate retail agent identification card.

12 (11) Selling to purchasers in amounts above the limits
13 provided in this Act.

14 (12) Delinquency in filing any required tax returns or
15 paying any amounts owed to the State of Illinois.

16 Section 15-85. Security.

17 (a) A hemp concentrate retailer shall implement security
18 measures to deter and prevent entry into and theft of hemp
19 concentrate derived products or currency.

20 (b) A hemp concentrate retailer shall submit any changes
21 to the floor plan or security plan to the Department for
22 preapproval. All hemp concentrate derived product shall be
23 maintained and stored in a restricted access area during
24 construction.

25 (c) The hemp concentrate retailer shall implement security

1 measures to protect the premises, purchasers, and hemp
2 concentrate retail agents including, but not limited to, the
3 following:

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

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

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

12 (4) Dispose of hemp concentrate derived products in
13 accordance with this Act and rules.

14 (5) During hours of operation, store and sell all hemp
15 concentrate derived product from the restricted access
16 area. During operational hours, hemp concentrate derived
17 product shall be stored in an enclosed locked room or
18 cabinet and accessible only to specifically authorized
19 hemp concentrate retail agents.

20 (6) When the hemp concentrate retailer is closed,
21 store all hemp concentrate derived product and currency in
22 a reinforced vault room in the restricted access area and
23 in a manner as to prevent diversion, theft, or loss.

24 (7) Keep the reinforced vault room and any other
25 equipment or hemp concentrate derived product storage
26 areas securely locked and protected from unauthorized

1 entry.

2 (8) Keep an electronic daily log of hemp concentrate
3 retail agents with access to the reinforced vault room and
4 knowledge of the access code or combination.

5 (9) Keep all locks and security equipment in good
6 working order.

7 (10) Maintain an operational security and alarm system
8 at all times.

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

12 (12) Prohibit accessibility of security measures,
13 including combination numbers, passwords, or electronic or
14 biometric security systems to persons other than
15 specifically authorized hemp concentrate retail agents.

16 (13) Ensure that the hemp concentrate retailer
17 interior and exterior premises are sufficiently lit to
18 facilitate surveillance.

19 (14) Ensure that trees, bushes, and other foliage
20 outside of the hemp concentrate retailer premises do not
21 allow for a person or persons to conceal themselves from
22 sight.

23 (15) Develop emergency policies and procedures form
24 securing all product and currency following any instance
25 of diversion, theft, or loss of hemp concentrate derived
26 products, and conduct an assessment to determine whether

1 additional safeguards are necessary.

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

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

10 (e) A hemp concentrate retailer shall provide additional
11 security as needed and in a manner appropriate for the
12 community where it operates.

13 (f) Restricted access areas must meet the following
14 criteria:

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

20 (2) All restricted access areas shall be clearly
21 described in the floor plan of the premises, in the form
22 and manner determined by the Department, reflecting walls,
23 partitions, counters, and all areas of entry and exit. The
24 floor plan shall show all storage, disposal, and retail
25 sales areas.

26 (3) All restricted access areas must be secure, with

1 locking devices that prevent access from the limited
2 access areas.

3 (g) A hemp concentrate retailer shall have an adequate
4 security plan and security system to prevent and detect
5 diversion, theft, or loss of hemp concentrate derived
6 products, currency, or unauthorized intrusion using commercial
7 grade equipment installed by a State-licensed private alarm
8 contractor or private alarm contractor agency that shall, at a
9 minimum, include the following:

10 (1) A perimeter alarm on all entry points and glass
11 break protection on perimeter windows.

12 (2) Security shatterproof tinted film on exterior
13 windows.

14 (3) A failure notification system that provides an
15 audible, text, or visual notification of any failure in
16 the surveillance system, including, but not limited to,
17 panic buttons, alarms, and video monitoring system. The
18 failure notification system shall provide an alert to
19 designated hemp concentrate retail agents within 5 minutes
20 after the failure, either by telephone or text message.

21 (4) A duress alarm, panic button, and alarm, or holdup
22 alarm and after-hours intrusion detection alarm that by
23 design and purpose will directly or indirectly notify, by
24 the most efficient means, the public safety answering
25 point for the law enforcement agency having primary
26 jurisdiction.

1 (5) Security equipment to deter and prevent
2 unauthorized entrance into the hemp concentrate retailer,
3 including electronic door locks on the limited and
4 restricted access areas that include devices or a series
5 of devices to detect unauthorized intrusion, which may
6 include a signal system interconnected with a radio
7 frequency method, cellular, private radio signals or other
8 mechanical or electronic device.

9 Security system equipment and recordings shall be
10 maintained in good working order and in a secure location so as
11 to prevent theft, loss, destruction, or alterations.

12 Access to surveillance monitoring recording equipment
13 shall be limited to persons who are essential to surveillance
14 operations, law enforcement authorities acting within their
15 jurisdiction, security system service personnel, and the
16 Department. A current list of authorized hemp concentrate
17 retail agents and service personnel that have access to the
18 surveillance equipment must be available to the Department
19 upon request.

20 Any security equipment shall be inspected and tested at
21 regular intervals, not to exceed one month from the previous
22 inspection, and tested to ensure the systems remain
23 functional.

24 The security system shall provide protection against theft
25 and diversion that is facilitated or hidden by tampering with
26 computers or electronic records.

1 The hemp concentrate retailer shall ensure all access
2 doors are not solely controlled by an electronic access panel
3 to ensure that locks are not released during a power outage.

4 (h) To monitor the hemp concentrate retailer, the hemp
5 concentrate retailer shall incorporate continuous electronic
6 video monitoring, that shall include the following:

7 (1) All monitors must be 19 inches or greater.

8 (2) Unobstructed video surveillance of all enclosed
9 hemp concentrate retailer areas, unless prohibited by law,
10 including all points of entry and exit that shall be
11 appropriate for the normal lighting conditions of the area
12 under surveillance. The cameras shall be directed so all
13 areas are captured, including, but not limited to, safes,
14 vaults, sales areas, and areas where hemp concentrate
15 retailer is stored, handled, sold, or destroyed. Cameras
16 shall be angled to allow for facial recognition, the
17 capture of clear and certain identification of any person
18 entering or exiting the hemp concentrate retail area and
19 in lighting sufficient during all times of night or day.

20 (3) Unobstructed video surveillance of outside areas,
21 the storefront, and the parking lot, that shall be
22 appropriate for the normal lighting conditions of the area
23 under surveillance. Cameras shall be angled so as to allow
24 for the capture of facial recognition, clear and certain
25 identification of any person entering or exiting the hemp
26 concentrate retailer and the immediate surrounding area,

1 and license plates of vehicles in the parking lot.

2 (4) 24-hour recordings from all video cameras
3 available for immediate viewing by the Department upon
4 request. Recordings shall not be destroyed or altered and
5 shall be retained for at least 90 days. Recordings shall
6 be retained as long as necessary if the retailer is aware
7 of the loss or theft of hemp concentrate derived product
8 or a pending criminal, civil, or administrative
9 investigation or legal proceeding for which the recording
10 may contain relevant information.

11 (5) The ability to immediately produce a clear, color
12 still photo from the surveillance video, either live or
13 recorded.

14 (6) A date and time stamp embedded on all video
15 surveillance recordings. The date and time shall be
16 synchronized and set correctly and shall not significantly
17 obscure the picture.

18 (7) The ability to remain operational during a power
19 outage and ensure all access doors are not solely
20 controlled by an electronic access panel to ensure that
21 locks are not released during a power outage.

22 (8) All video surveillance equipment shall allow for
23 the exporting of still images in an industry standard
24 image format, including .jpg, .bmp, and .gif. Exported
25 video shall have the ability to be archived in a
26 proprietary format that ensures authentication of the

1 video and guarantees that no alteration of the recorded
2 image has taken place. Exported video shall also have the
3 ability to be saved in an industry standard file format
4 that can be played on a standard computer operating
5 system. All recordings shall be erased or destroyed before
6 disposal.

7 (9) The video surveillance system shall be operational
8 during a power outage with a 4-hour minimum battery
9 backup.

10 (10) A video camera or cameras recording at each
11 point-of-sale location allowing for the identification of
12 the hemp concentrate retail agent distributing the hemp
13 concentrate derived products and any purchaser. The camera
14 or cameras shall capture the sale, the individuals, and
15 the computer monitors used for the sale.

16 (11) A failure notification system that provides an
17 audible and visual notification of any failure in the
18 electronic video monitoring system.

19 (12) All electronic video surveillance monitoring must
20 record at least the equivalent of 8 frames per second and
21 be available as recordings to the Department and the
22 Illinois State Police 24 hours a day via a secure
23 web-based portal with reverse functionality.

24 (i) The requirements contained in this Article shall be
25 the minimum requirements for operating a hemp concentrate
26 retailer. The Department may establish additional requirements

1 by rule.

2 Section 15-90. Recordkeeping.

3 (a) Hemp concentrate retailer records must be maintained
4 electronically for 3 years and be available for inspection by
5 the Department upon request. Required written records include,
6 but are not limited to, the following:

7 (1) Operating procedures.

8 (2) Inventory records, policies, and procedures.

9 (3) Security records.

10 (4) Audit records.

11 (5) Staff training plans and completion documentation.

12 (6) Staffing plan.

13 (7) Business records, including, but not limited to:

14 (A) assets and liabilities;

15 (B) monetary transactions;

16 (C) written or electronic accounts, including bank
17 statements, journals, ledgers, and supporting
18 documents, agreements, checks, invoices, receipts, and
19 vouchers; and

20 (D) any other financial accounts reasonably
21 related to the hemp concentrate retailer operations.

22 (b) If a hemp concentrate retailer closes due to
23 insolvency, revocation, bankruptcy, or for any other reason,
24 all records must be preserved at the expense of the hemp
25 concentrate retailer for at least 3 years in a form and

1 location in this State in a format and location that is
2 acceptable to the Department. The hemp concentrate retailer
3 shall keep the records longer if requested by the Department.
4 The hemp concentrate retailer shall notify the Department of
5 the location where the hemp concentrate retailer records are
6 stored or transferred.

7 Section 15-95. Closure of a dispensary.

8 (a) If a hemp concentrate retailer decides not to renew
9 its license or decides to close its business, the hemp
10 concentrate retailer shall promptly notify the Department not
11 less than 3 months before the effective date of the closing
12 date or as otherwise authorized by the Department.

13 (b) The hemp concentrate retailer shall work with the
14 Department to develop a closure plan that addresses, at a
15 minimum, the transfer of business records, transfer of hemp
16 concentrate derived products, and anything else the Department
17 finds necessary.

18 Section 15-100. Investigations.

19 (a) A hemp concentrate retailer is subject to random and
20 unannounced hemp concentrate retailer inspections and hemp
21 concentrate derived products testing by the Department, the
22 Illinois State Police, local law enforcement, or as provided
23 by rule.

24 (b) The Department and its authorized representatives may

1 (i) enter any place, including a vehicle, in which hemp
2 concentrate derived product is held, stored, sold, produced,
3 delivered, transported, manufactured, or disposed of, (ii)
4 inspect, in a reasonable manner, the place and all pertinent
5 equipment, containers, and labeling and other pertinent
6 things, including records, files, financial data, sales data,
7 shipping data, pricing data, personnel data, research, papers,
8 processes, controls, facilities, and (iii) inventory any stock
9 of hemp concentrate derived product and obtain samples of any
10 hemp concentrate derived product, any labels or containers for
11 hemp concentrate derived product, or paraphernalia.

12 (c) The Department may conduct an investigation of an
13 applicant, application, hemp concentrate retailer, principal
14 officer, hemp concentrate retail agent, third party vendor, or
15 any other party associated with a hemp concentrate retailer
16 for an alleged violation of this Act or rules or to determine
17 qualifications to be granted a registration by the Department.

18 (d) The Department may require an applicant or holder of
19 any license issued pursuant to this Article to produce
20 documents, records, or any other material pertinent to the
21 investigation of an application or alleged violations of this
22 Act or rules. Failure to provide the required material may be
23 grounds for denial or discipline.

24 (e) Each person charged with preparation, obtaining, or
25 keeping records, logs, reports, or other documents in
26 connection with this Act and rules and every person in charge,

1 or having custody, of those documents shall, upon request by
2 the Department, make the documents immediately available for
3 inspection and copying by the Department, the Department's
4 authorized representative, or others authorized by law to
5 review the documents.

6 Section 15-105. Citations. The Department may issue
7 nondisciplinary citations for minor violations. Any such
8 citation issued by the Department may be accompanied by a fee.
9 The fee may not exceed \$20,000 per violation. The citation
10 shall be issued to the licensee and shall contain the
11 licensee's name and address, the licensee's license number, a
12 brief factual statement, the Sections of the law allegedly
13 violated, and the fee, if any, imposed. The citation must
14 clearly state that the licensee may choose, in lieu of
15 accepting the citation, to request a hearing. If the licensee
16 does not dispute the matter in the citation with the
17 Department within 30 days after the citation is served, then
18 the citation shall become final and not subject to appeal. The
19 penalty shall be a fee or other conditions as established by
20 rule.

21 Section 15-110. Grounds for discipline.

22 (a) The Department may deny issuance, refuse to renew or
23 restore, or may reprimand, place on probation, suspend,
24 revoke, or take other disciplinary or nondisciplinary action

1 against any license or hemp concentrate retailer agent
2 identification card or may impose a fine for any of the
3 following:

4 (1) Material misstatement in furnishing information to
5 the Department.

6 (2) Violations of this Act or rules.

7 (3) Obtaining an authorization or license by fraud or
8 misrepresentation.

9 (4) A pattern of conduct that demonstrates
10 incompetence or that the applicant has engaged in conduct
11 or actions that would constitute grounds for discipline
12 under this Act.

13 (5) Aiding or assisting another person in violating
14 any provision of this Act or rules.

15 (6) Failing to respond to a written request for
16 information by the Department within 30 days.

17 (7) Engaging in unprofessional, dishonorable, or
18 unethical conduct of a character likely to deceive,
19 defraud, or harm the public.

20 (8) Adverse action by another state or territory of
21 the United States or foreign nation.

22 (9) A finding by the Department that the licensee,
23 after having the license placed on suspended or
24 probationary status, has violated the terms of the
25 suspension or probation.

26 (10) Conviction, entry of a plea of guilty, nolo

1 contendere, or the equivalent in a State or federal court
2 of a principal officer or agent-in-charge of a felony
3 offense under Section 2105-131, 2105-135, or 2105-205 of
4 the Department of Professional Regulation Law of the Civil
5 Administrative Code of Illinois.

6 (11) Excessive use of or addiction to alcohol,
7 narcotics, stimulants, or any other chemical agent or
8 drug.

9 (12) A finding by the Department of a discrepancy in a
10 Department audit of hemp concentrate derived product.

11 (13) A finding by the Department of a discrepancy in a
12 Department audit of capital or funds.

13 (14) A finding by the Department of acceptance of hemp
14 concentrate derived product from a source other than an
15 Illinois-registered adult use craft grower that meets the
16 requirements of a Social Equity Applicant, an adult use
17 cannabis infuser that meets the requirements of a Social
18 Equity Applicant, an adult use cannabis transporter that
19 meets the requirements of a Social Equity Applicant, a
20 hemp concentrate infuser, hemp processor, or hemp
21 distributor.

22 (15) An inability to operate using reasonable
23 judgment, skill, or safety due to physical or mental
24 illness or other impairment or disability, including,
25 without limitation, deterioration through the aging
26 process or loss of motor skills or mental incompetence,

1 (16) Failing to report to the Department within the
2 time frames established, or if not identified, 14 days, of
3 any adverse action taken against the hemp concentrate
4 retailer or an agent by a licensing jurisdiction in any
5 state or any territory of the United States or any foreign
6 jurisdiction, any governmental agency, any law enforcement
7 agency, or any court.

8 (17) Any violation of the hemp concentrate retailer's
9 policies and procedures submitted to the Department
10 annually as a condition for licensure.

11 (18) Failure to inform the Department of any change of
12 address within 10 business days.

13 (19) Disclosing customer names, personal information,
14 or protected health information in violation of any State
15 or federal law.

16 (20) Operating a hemp concentrate retailer before
17 obtaining a license from the Department.

18 (21) Performing duties authorized by this Act prior to
19 receiving a license to perform such duties.

20 (22) Selling hemp concentrate derived products when
21 prohibited by this Act or rules.

22 (23) Any fact or condition that, if it had existed at
23 the time of the original application for the license,
24 would have warranted the denial of the license.

25 (24) Permitting a person without a valid hemp
26 concentrate retailer agent identification card to perform

1 licensed activities under this Act.

2 (25) Failure to assign an agent-in-charge as required
3 by this Article.

4 (26) Failure to provide the training required under
5 subsection (h) of Section 15-25 within the provided
6 timeframe.

7 (27) Personnel insufficient in number or unqualified
8 in training or experience to properly operate the hemp
9 concentrate retailer.

10 (28) Any pattern of activity that causes a harmful
11 impact on the community.

12 (29) Failing to prevent diversion, theft, or loss of
13 hemp concentrate derived products.

14 (b) All fines and fees imposed under this Section shall be
15 paid within 60 days after the effective date of the order
16 imposing the fine or as otherwise specified in the order.

17 (c) A circuit court order establishing that an
18 agent-in-charge or principal officer holding a hemp
19 concentrate retailer agent identification card is subject to
20 involuntary admission on an inpatient basis or outpatient
21 basis, as those terms are defined in Sections 1-119 and
22 1-119.1 of the Mental Health and Developmental Disabilities
23 Code, shall operate as a suspension of that card.

24 Section 15-115. Temporary suspension.

25 (a) The Department may temporarily suspend a hemp

1 concentrate retailer license or an agent registration without
2 a hearing if the Secretary finds that public safety or welfare
3 requires emergency action. The Secretary shall cause the
4 temporary suspension by issuing a suspension notice in
5 connection with the institution of proceedings for a hearing.

6 (b) If the Secretary temporarily suspends a license or
7 agent registration without a hearing, the licensee or agent is
8 entitled to a hearing within 45 days after the suspension
9 notice has been issued. The hearing shall be limited to the
10 issues cited in the suspension notice, unless all parties
11 agree otherwise.

12 (c) If the Department does not hold a hearing with 45 days
13 after the date the suspension notice was issued, then the
14 suspended license or registration shall be automatically
15 reinstated and the suspension vacated.

16 (d) The suspended licensee or agent may seek a continuance
17 of the hearing date, during which time the suspension remains
18 in effect and the license or registration shall not be
19 automatically reinstated.

20 (e) Subsequently discovered causes of action by the
21 Department after the issuance of the suspension notice may be
22 filed as a separate notice of violation. The Department is not
23 precluded from filing a separate action against the suspended
24 licensee or agent.

25 Section 15-120. Notice; hearing.

1 (a) The Department shall, before disciplining an applicant
2 or licensee, at least 30 days before the date set for the
3 hearing: (i) notify the accused in writing of the charges made
4 and the time and place for the hearing on the charges; (ii)
5 direct the applicant or licensee to file a written answer to
6 the charges under oath within 20 days after service; and (iii)
7 inform the applicant or licensee that failure to answer will
8 result in a default being entered against the applicant or
9 licensee.

10 (b) At the time and place fixed in the notice, the hearing
11 officer appointed by the Department shall proceed to hear the
12 charges, and the parties or their counsel shall be accorded
13 ample opportunity to present any pertinent statements,
14 testimony, evidence, and arguments. The hearing officer may
15 continue the hearing from time to time. In case the person,
16 after receiving the notice, fails to file an answer, the
17 person's license may, in the discretion of the Secretary,
18 having first received the recommendation of the hearing
19 officer, be suspended, revoked, or placed on probationary
20 status or be subject to whatever disciplinary action the
21 Secretary considers proper, including a fine, without hearing,
22 if that act or acts charged constitute sufficient grounds for
23 that action under this Act.

24 (c) The written notice and any notice in the subsequent
25 proceeding may be served by regular mail or email to the
26 licensee's or applicant's address of record.

1 Section 15-125. Subpoenas; oaths. The Department may
2 subpoena and bring before it any person, take testimony either
3 orally or by deposition, or both, with the same fees and
4 mileage and in the same manner as prescribed by law in judicial
5 proceedings in civil cases in courts in this State. The
6 Secretary or the hearing officer shall each have the power to
7 administer oaths to witnesses at any hearings that the
8 Department is authorized to conduct.

9 Section 15-130. Hearing; motion for rehearing.

10 (a) The hearing officer shall hear evidence in support of
11 the formal charges and evidence produced by the licensee. At
12 the conclusion of the hearing, the hearing officer shall
13 present to the Secretary a written report of the hearing
14 officer's findings of fact, conclusions of law, and
15 recommendations.

16 (b) At the conclusion of the hearing, a copy of the hearing
17 officer's report shall be served upon the applicant or
18 licensee by the Department, either personally or as provided
19 in this Act for the service of a notice of hearing. Within 20
20 calendar days after service, the applicant or licensee may
21 present to the Department a motion in writing for rehearing,
22 which shall specify the particular grounds for rehearing. The
23 Department may respond to the motion for rehearing within 20
24 calendar days after service on the Department. If no motion

1 for rehearing is filed, then, upon the expiration of the time
2 specified for filing such motion or upon denial of a motion for
3 rehearing, the Secretary may enter an order in accordance with
4 the recommendation of the hearing officer. If the applicant or
5 licensee orders from the reporting service and pays for a
6 transcript of the record within the time for filing a motion
7 for rehearing, the 20-day period within which a motion may be
8 filed shall commence upon the delivery of the transcript to
9 the applicant or licensee.

10 (c) If the Secretary disagrees in any regard with the
11 report of the hearing officer, the Secretary may issue an
12 order contrary to the report.

13 (d) Whenever the Secretary is not satisfied that
14 substantial justice has been done, the Secretary may order a
15 rehearing by the same or another hearing officer.

16 (e) At any point in any investigation or disciplinary
17 proceeding under in this Article, both parties may agree to a
18 negotiated consent order. The consent order shall be final
19 upon signature of the Secretary.

20 Section 15-135. Review under the Administrative Review
21 Law.

22 (a) All final administrative decisions of the Department
23 are subject to judicial review under the provisions of the
24 Administrative Review Law. As used in this subsection,
25 "administrative decision" has the meaning given to that term

1 in Section 3-101 of the Code of Civil Procedure.

2 (b) Proceedings for judicial review shall be commenced in
3 the circuit court of the county in which the party applying for
4 review resides, but, if the party is not a resident of
5 Illinois, the venue shall be in Sangamon County.

6 (c) The Department shall not be required to certify any
7 record to the court, file any answer in court, or otherwise
8 appear in any court in a judicial review proceeding unless and
9 until the Department has received from the plaintiff payment
10 of the costs of furnishing and certifying the record, which
11 costs shall be determined by the Department. Failure on the
12 part of the plaintiff to file a receipt in court shall be
13 grounds for dismissal of the action.

14 Article 20.

15 Hemp Extract Infusers

16 Section 20-5. Hemp Extract Infusers application. When
17 applying for a license, the applicant shall electronically
18 submit the following in such form as the Department may
19 direct:

20 (1) the nonrefundable application fee of \$100 for each
21 license for which the applicant is applying, which shall
22 be deposited into the Cannabis Regulation Fund;

23 (2) the legal name of the infuser;

24 (3) the proposed physical address of the infuser;

1 (4) the name, address, social security number, and
2 date of birth of each principal officer and board member
3 of the infuser. Each principal officer and board member
4 shall be at least 21 years of age;

5 (5) the details of any administrative or judicial
6 proceeding in which any of the principal officers or board
7 members of the infuser (i) pled guilty, were convicted,
8 fined, or had a registration or license suspended or
9 revoked, or (ii) managed or served on the board of a
10 business or nonprofit organization that pled guilty, was
11 convicted, fined, or had a registration or license
12 suspended or revoked;

13 (6) proposed operating bylaws;

14 (7) a copy of the current local zoning ordinance and
15 verification that the proposed infuser is in compliance
16 with the local zoning rules and distance limitations
17 established by the local jurisdiction;

18 (8) proposed employment practices in which the
19 applicant must demonstrate a plan of action to inform,
20 hire, and educate minorities, women, veterans, and persons
21 with disabilities, engage in fair labor practices, and
22 provide worker protections;

23 (9) processing, inventory, and packaging plans;

24 (10) a description of the applicant's experience with
25 operating a commercial kitchen or laboratory preparing
26 products for human consumption;

1 (11) a list of any academic degrees, certifications,
2 or relevant experience of all prospective principal
3 officers, board members, and agents of the related
4 business;

5 (12) a plan describing how the hemp extract infuser
6 will address each of the following:

7 (A) Energy needs, including estimates of monthly
8 electricity and gas usage, to what extent it will
9 procure energy from a local utility or from on-site
10 generation, and if it has or will adopt a sustainable
11 energy use and energy conservation policy.

12 (B) Water needs, including estimated water draw,
13 and if it has or will adopt a sustainable water use and
14 water conservation policy.

15 (C) Waste management, including if it has or will
16 adopt a waste reduction policy;

17 (13) a recycling plan that meets the following
18 requirements:

19 (A) A commitment that any recyclable waste
20 generated by the hemp extract infuser shall be
21 recycled per applicable State and local laws,
22 ordinances, and rules.

23 (B) A commitment to comply with local waste
24 provisions. A hemp extract infuser commits to remain
25 in compliance with applicable State and federal
26 environmental requirements, including, but not limited

1 to, storing, securing, and managing all recyclables
2 and waste, including organic waste composed of or
3 containing hemp extract products, in accordance with
4 applicable State and local laws, ordinances, and
5 rules; and

6 (14) any other information required by rule.

7 Section 20-10. Renewal of licenses.

8 (a) A hemp extract infuser license issued under Section
9 20-5 shall expire 2 years after the date issued.

10 (b) A license holder shall submit a renewal application as
11 provided by the Department and pay the required renewal fee.
12 The Department shall require an agent, employee, contracting,
13 and subcontracting diversity report and an environmental
14 impact report with its renewal application. No license may be
15 renewed if it is currently under revocation or suspension for
16 violation of this Act, the Cannabis Regulation and Tax Act, or
17 the Industrial Hemp Act or any rules that adopted under this
18 Act, the Cannabis Regulation and Tax Act, or the Industrial
19 Hemp Act or if the licensee, principal officer, board member,
20 person having a financial or voting interest of 5% or greater
21 in the licensee, or agent is delinquent in filing any required
22 tax returns or paying any amounts owed to the State.

23 (c) For a hemp extract infuser license, \$100 shall be paid
24 as a renewal fee and shall be deposited into the Cannabis
25 Regulation Fund.

1 (d) If a hemp extract infuser fails to renew its license
2 before expiration, the hemp extract infuser shall cease
3 operations until the license is renewed.

4 (e) A hemp extract infuser that continues to operate
5 without renewal of its license is subject to penalty as
6 provided in this Article or any rules that may be adopted
7 pursuant to this Article.

8 (f) The Department shall not renew a license if the
9 applicant is delinquent in filing required tax returns or
10 paying amounts owed to the State.

11 Section 20-15 Denial of application.

12 (a) An application for a hemp extract infuser license must
13 be denied if any of the following conditions are met:

14 (1) The applicant failed to submit the materials
15 required by this Article.

16 (2) The applicant would not be in compliance with
17 local zoning rules or permit requirements.

18 (3) One or more of the prospective principal officers
19 or board members causes a violation of this Act.

20 (4) One or more of the principal officers or board
21 members is under 21 years of age.

22 (5) The person has submitted an application for a
23 license under this Act or this Article that contains false
24 information.

25 (6) If the licensee, principal officer, board member,

1 agent, or person having a financial or voting interest of
2 5% or greater in the licensee is delinquent in filing any
3 required tax returns or paying any amounts owed to the
4 State of Illinois.

5 Article 25.

6 Hemp Concentrate Infusers

7 Section 25-5. Hemp concentrate infuser application. When
8 applying for a license, the applicant shall electronically
9 submit the following in such form as the Department may
10 direct:

11 (1) the nonrefundable application fee of \$5,000 for
12 each license for which the applicant is applying, which
13 shall be deposited into the Cannabis Regulation Fund;

14 (2) the legal name of the hemp concentrate infuser;

15 (3) the proposed physical address of the hemp
16 concentrate infuser;

17 (4) the name, address, social security number, and
18 date of birth of each principal officer and board member
19 of the hemp concentrate infuser. Each principal officer
20 and board member shall be at least 21 years of age;

21 (5) the details of any administrative or judicial
22 proceeding in which any of the principal officers or board
23 members of the hemp concentrate infuser (i) pled guilty,
24 were convicted, fined, or had a registration or license

1 suspended or revoked, or (ii) managed or served on the
2 board of a business or nonprofit organization that pled
3 guilty, was convicted, fined, or had a registration or
4 license suspended or revoked;

5 (6) proposed operating bylaws that include procedures
6 for the oversight of the hemp concentrate infuser,
7 including the development and implementation of an
8 intermediate hemp product monitoring system, accurate
9 recordkeeping, staffing plan, and security plan approved
10 by the Illinois State Police that are in accordance with
11 the rules issued by the Department under this Act. A
12 physical inventory of all intermediate hemp products, hemp
13 concentrate, and hemp extract shall be performed on a
14 weekly basis by the hemp concentrate infuser;

15 (7) verification from the Illinois State Police that
16 all background checks of the prospective principal
17 officers, board members, and agents of the hemp
18 concentrate infuser organization have been conducted;

19 (8) a copy of the current local zoning ordinance and
20 verification that the proposed hemp concentrate infuser is
21 in compliance with the local zoning rules and distance
22 limitations established by the local jurisdiction;

23 (9) proposed employment practices, in which the
24 applicant must demonstrate a plan of action to inform,
25 hire, and educate minorities, women, veterans, and persons
26 with disabilities, engage in fair labor practices, and

1 provide worker protections;

2 (10) whether an applicant can demonstrate experience
3 in or business practices that promote economic empowerment
4 in disproportionately impacted areas, as that term is
5 defined in Section 1-10 of the Cannabis Regulation and Tax
6 Act;

7 (11) experience with infusing products with hemp
8 concentrate;

9 (12) a description of the enclosed, locked facility
10 where hemp concentrate will be infused, packaged, or
11 otherwise prepared for distribution to a hemp concentrate
12 retailer organization or other hemp concentrate infuser;

13 (13) processing, inventory, and packaging plans;

14 (14) a description of the applicant's experience with
15 operating a commercial kitchen or laboratory preparing
16 products for human consumption;

17 (15) a list of any academic degrees, certifications,
18 or relevant experience of all prospective principal
19 officers, board members, and agents of the related
20 business;

21 (16) the identity of every person having a financial
22 or voting interest of 5% or greater in the hemp
23 concentrate infuser operation with respect to which
24 license is sought, whether a trust, corporation,
25 partnership, limited liability company, or sole
26 proprietorship, including the name and address of each

1 person;

2 (17) a plan describing how the infuser will address
3 each of the following:

4 (A) Energy needs, including estimates of monthly
5 electricity and gas usage, to what extent it will
6 procure energy from a local utility or from on-site
7 generation, and if it has or will adopt a sustainable
8 energy use and energy conservation policy.

9 (B) Water needs, including estimated water draw,
10 and if it has or will adopt a sustainable water use and
11 water conservation policy.

12 (C) Waste management, including if it has or will
13 adopt a waste reduction policy;

14 (18) a recycling plan that meets the following
15 requirements:

16 (A) A commitment that any recyclable waste
17 generated by the hemp concentrate infuser shall be
18 recycled per applicable State and local laws,
19 ordinances, and rules.

20 (B) A commitment to comply with local waste
21 provisions. A hemp concentrate infuser commits to
22 remain in compliance with applicable State and federal
23 environmental requirements, including, but not limited
24 to, storing, securing, and managing all recyclables
25 and waste, including organic waste composed of or
26 containing finished hemp concentrate and hemp

1 concentrate derived products, in accordance with
2 applicable State and local laws, ordinances, and
3 rules; and
4 (19) any other information required by rule.

5 Section 25-10. Issuing licenses.

6 (a) The Department shall, by rule, develop a system to
7 score hemp concentrate infuser applications to
8 administratively rank applications based on the clarity,
9 organization, and quality of the applicant's responses to
10 required information. Applicants shall be awarded points based
11 on the following categories:

- 12 (1) Suitability of the proposed facility.
- 13 (2) Suitability of the employee training plan.
- 14 (3) Security and recordkeeping plan.
- 15 (4) Infusing plan.
- 16 (5) Product safety and labeling plan.
- 17 (6) Business plan.
- 18 (7) Community engagement plan.
- 19 (8) Labor and employment practices, which shall
20 constitute no less than 2% of total available points.
- 21 (9) Environmental plan, as described in paragraphs
22 (17) and (18) of Section 25-5.
- 23 (10) The applicant is 51% or more owned and controlled
24 by an individual or individuals who have been an Illinois
25 resident for the past 5 years as proved by tax records or 2

1 of the following:

2 (A) A signed lease agreement that includes the
3 applicant's name.

4 (B) A property deed that includes the applicant's
5 name.

6 (C) School records.

7 (D) A voter registration card.

8 (E) An Illinois driver's license, an Illinois
9 Identification Card, or an Illinois Person with a
10 Disability Identification Card.

11 (F) A paycheck stub.

12 (G) A utility bill.

13 (H) Any other proof of residency or other
14 information necessary to establish residence as
15 provided by rule.

16 (11) The applicant is 51% or more controlled and owned
17 by an individual or individuals who meet the
18 qualifications of a veteran, as that term is defined in
19 Section 45-57 of the Illinois Procurement Code.

20 (12) A diversity plan that includes a narrative of not
21 more than 2,500 words that establishes a goal of diversity
22 in ownership, management, employment, and contracting to
23 ensure that diverse participants and groups are afforded
24 equality of opportunity.

25 (13) Any other criteria the Department may set by rule
26 for points.

1 (b) If the applicant is awarded a hemp concentrate infuser
2 license, the information and plans that an applicant provided
3 in its application shall be a mandatory condition of the
4 license. Any variation from or failure to perform such plans
5 may result in discipline, including the revocation or
6 nonrenewal of a license.

7 (c) If the applicant is awarded a hemp concentrate infuser
8 license, the applicant shall pay a fee of \$5,000 prior to
9 receiving the license, to be deposited into the Cannabis
10 Regulation Fund.

11 Section 25-15. Denial of application. An application for a
12 hemp concentrate infuser license shall be denied if any of the
13 following conditions are met:

14 (1) The applicant failed to submit the materials
15 required by this Article.

16 (2) The applicant would not be in compliance with
17 local zoning rules or permit requirements.

18 (3) One or more of the prospective principal officers
19 or board members causes a violation of Section 25-20.

20 (4) One or more of the principal officers or board
21 members is under 21 years of age.

22 (5) The person has submitted an application for a
23 license under this Act or this Article that contains false
24 information.

25 (6) If the licensee, principal officer, board member,

1 agent, or person having a financial or voting interest of
2 5% or greater in the licensee is delinquent in filing any
3 required tax returns or paying any amounts owed to the
4 State of Illinois.

5 Section 25-20. Hemp concentrate infuser organization
6 requirements; prohibitions.

7 (a) The operating documents of a hemp concentrate infuser
8 shall include procedures for the oversight of the infuser, an
9 inventory monitoring system including a physical inventory
10 recorded weekly, accurate recordkeeping, and a staffing plan.

11 (b) A hemp concentrate infuser shall implement a security
12 plan reviewed by the Illinois State Police that includes, but
13 is not limited to: facility access controls; perimeter
14 intrusion detection systems; personnel identification systems;
15 and a 24-hour surveillance system to monitor the interior and
16 exterior of the infuser facility and that is accessible to
17 authorized law enforcement, the Department of Public Health,
18 and the Department in real time.

19 (c) Any processing of hemp concentrate by a hemp
20 concentrate infuser must take place in an enclosed, locked
21 facility at the physical address provided to the Department
22 during the licensing process. The hemp concentrate infuser
23 location shall only be accessed by the agents working for the
24 hemp concentrate infuser, Department staff performing
25 inspections, Department of Public Health staff performing

1 inspections, State and local law enforcement or other
2 emergency personnel, contractors working on jobs unrelated to
3 hemp concentrate, intermediate hemp products, or hemp
4 concentrate derived products, such as installing or
5 maintaining security devices or performing electrical wiring,
6 hemp retailer agents as provided in this Act, participants in
7 an incubator program, individuals in a mentoring or
8 educational program approved by the State, local safety or
9 health inspectors, or other individuals as provided by rule.

10 (d) A hemp concentrate infuser may not sell or distribute
11 any intermediate hemp products, hemp concentrate, or hemp
12 concentrate derived products to any person other than a hemp
13 concentrate retailer, other hemp concentrate infuser,
14 Qualifying Applicant or Social Equity Justice Involved
15 Applicant under the Cannabis Regulation and Tax Act, or as
16 otherwise authorized by rule.

17 (e) A hemp concentrate infuser may not either directly or
18 indirectly discriminate in price between different hemp
19 business establishments that are purchasing a like grade,
20 brand, and quality of hemp concentrate derived product or
21 intermediate hemp product. Nothing in this subsection prevents
22 a hemp concentrate infuser from pricing hemp concentrate
23 derived products or intermediate hemp products differently
24 based on differences in the cost of manufacturing or
25 processing, the quantities sold, such volume discounts, or the
26 way the products are delivered.

1 (f) Any hemp concentrate or intermediate hemp product
2 infused by an infuser and intended for distribution to a hemp
3 concentrate retailer, other hemp concentrate infuser, or
4 Qualifying Applicant or Social Equity Justice Involved
5 Applicant defined by the Cannabis Regulation and Tax Act must
6 be entered into a data collection system and packaged and
7 labeled under Section 40-15. All hemp concentrate derived
8 products or intermediate hemp products must be placed into a
9 container for transport.

10 (g) A hemp concentrate infuser is subject to random
11 inspections by the Department, the Department of Public
12 Health, the Illinois State Police, local law enforcement, or
13 as provided by rule.

14 (h) A hemp concentrate infuser agent shall notify local
15 law enforcement, the Illinois State Police, and the Department
16 within 24 hours of the discovery of any loss or theft.
17 Notification shall be made by phone, in person, or by written
18 or electronic communication.

19 (i) A hemp concentrate infuser may not be located in an
20 area zoned for residential use.

21 (j) A hemp concentrate infuser or hemp concentrate infuser
22 agent shall not transport hemp concentrate, hemp concentrate
23 derived products or intermediate hemp products to any other
24 hemp business establishment without a hemp distributor license
25 except as follows:

26 (A) If the hemp concentrate infuser is located in a

1 county with a population of 3,000,000 or more, the hemp
2 business establishment receiving the hemp concentrate,
3 hemp concentrate derived products, or intermediate hemp
4 products is within 2,000 feet of the property line of the
5 hemp concentrate infuser.

6 (B) If the hemp concentrate infuser is located in a
7 county with a population of at least 700,000 but fewer
8 than 3,000,000, the hemp business establishment receiving
9 the hemp concentrate, hemp concentrate derived products or
10 intermediate hemp products is within 2 miles of the
11 infuser.

12 (C) If the hemp concentrate infuser is located in a
13 county with a population of fewer than 700,000, the hemp
14 business establishment receiving the hemp concentrate,
15 hemp concentrate derived products, or intermediate hemp
16 products is within 15 miles of the infuser.

17 (k) A hemp concentrate infuser may enter into a contract
18 with a hemp distributor to transport hemp concentrate, hemp
19 concentrate derived products, or intermediate hemp products to
20 a hemp concentrate retailer, other hemp concentrate infuser,
21 Qualifying Applicant or Social Equity Justice Involved
22 Applicant defined by the Cannabis Regulation and Tax Act, or a
23 laboratory.

24 (l) At no time shall a hemp concentrate infuser or a hemp
25 concentrate infuser agent perform the extraction of hemp
26 extract, hemp concentrate, or intermediate hemp products from

1 industrial hemp.

2 Section 25-25. Hemp concentrate infuser agent
3 identification card.

4 (a) The Department shall:

5 (1) establish, by rule, the information required in an
6 initial application or renewal application for an agent
7 identification card submitted under this Act and the
8 nonrefundable fee to accompany the initial application or
9 renewal application;

10 (2) verify the information contained in an initial
11 application or renewal application for a hemp concentrate
12 infuser agent identification card submitted under this
13 Act, and approve or deny an application within 30 days of
14 receiving a completed initial application or renewal
15 application and all supporting documentation required by
16 rule;

17 (3) issue a hemp concentrate infuser agent
18 identification card to a qualifying agent within 15
19 business days of approving the initial application or
20 renewal application;

21 (4) enter the license number of the hemp concentrate
22 infuser where the agent works; and

23 (5) allow for an electronic initial application and
24 renewal application process, and provide a confirmation by
25 electronic or other methods that an application has been

1 submitted. The Department may by rule require prospective
2 agents to file their applications by electronic means and
3 provide notices to the agents by electronic means.

4 (b) A hemp concentrate infuser agent must keep the hemp
5 concentrate infuser agent's hemp concentrate infuser agent
6 identification card visible at all times when on the property
7 of a hemp business establishment including the hemp business
8 establishment for which the person is an agent for.

9 (c) Hemp concentrate infuser agent identification cards
10 shall contain the following:

11 (1) The name of the cardholder.

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

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

17 (4) A photograph of the cardholder.

18 (5) The legal name of the hemp concentrate infuser
19 employing the agent.

20 (d) A hemp concentrate infuser agent identification card
21 shall be immediately returned to the hemp concentrate infuser
22 of the agent upon termination of the agent's employment.

23 (e) A hemp concentrate infuser agent identification card
24 lost by a hemp concentrate infuser agent shall be reported to
25 the Illinois State Police and the Department immediately upon
26 discovery of the loss.

1 (f) An agent applicant may begin employment at a hemp
2 concentrate infuser while the agent applicant's hemp
3 concentrate infuser agent identification card application is
4 pending. Upon approval, the Department shall issue the agent's
5 identification card to the agent. If denied, the hemp
6 concentrate infuser and the agent applicant shall be notified
7 and the agent applicant must cease all activity at the hemp
8 concentrate infuser immediately.

9 Section 25-30. Hemp concentrate infuser organization
10 background checks.

11 (a) Through the Illinois State Police, the Department
12 shall conduct a background check of the prospective principal
13 officers, board members, and agents of a hemp concentrate
14 infuser applying for a license or a hemp concentrate infuser
15 agent identification card under this Article. The Illinois
16 State Police shall charge a fee set by rule for conducting the
17 criminal history record check, which shall be deposited into
18 the State Police Services Fund and shall not exceed the actual
19 cost of the record check. Each hemp concentrate infuser
20 prospective principal officer, board member, or agent shall
21 submit a full set of fingerprints to the Illinois State Police
22 for the purpose of obtaining a State and federal criminal
23 records check. These fingerprints shall be checked against the
24 fingerprint records during the application process and in a
25 frequency thereafter as prescribed by the Department, to the

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

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

11 Section 25-35. Renewal of hemp concentrate infuser
12 licenses and agent identification cards.

13 (a) A license or identification card issued under this
14 Article shall be renewed annually. A hemp concentrate infuser
15 shall receive written or electronic notice 90 days before the
16 expiration of its current license that the license will
17 expire. The Department shall grant a renewal within 45 days of
18 submission of a renewal application if:

19 (1) the hemp concentrate infuser submits a renewal
20 application and the required nonrefundable renewal fee of
21 \$20,000, to be deposited into the Cannabis Regulation
22 Fund;

23 (2) the Department has not suspended or revoked the
24 license of the hemp concentrate infuser for violating this
25 Act or rules adopted under this Act;

1 (3) the hemp concentrate infuser has continued to
2 operate in accordance with all plans submitted as part of
3 its application and approved by the Department or any
4 amendments thereto that have been approved by the
5 Department;

6 (4) the hemp concentrate infuser has submitted an
7 agent, employee, contracting, and subcontracting diversity
8 report as required by the Department; and

9 (5) the hemp concentrate infuser has submitted an
10 environmental impact report.

11 (b) If a hemp concentrate infuser fails to renew its
12 license before expiration, the hemp concentrate infuser shall
13 cease operations until its license is renewed.

14 (c) If a hemp concentrate infuser agent fails to renew the
15 agent's hemp concentrate infuser agent identification card
16 before its expiration, the agent shall cease to work as an
17 agent of the hemp concentrate infuser until the agent's hemp
18 concentrate infuser agent identification card is renewed.

19 (d) Any hemp concentrate infuser that continues to operate
20 or any hemp concentrate infuser agent who continues to work as
21 an agent after the applicable license or a hemp concentrate
22 infuser agent identification card has expired without renewal
23 is subject to the penalties provided under Section 25-20.

24 (e) The Department may not renew a license or a hemp
25 concentrate infuser agent identification card if the applicant
26 is delinquent in filing any required tax returns or paying any

1 amounts owed to the State of Illinois.

2 Section 25-40. Disclosure of ownership and control.

3 (a) Each hemp concentrate infuser applicant and licensee
4 shall file and maintain a table of organization, ownership,
5 and control with the Department. The table of organization,
6 ownership, and control shall contain the information required
7 by this Section in sufficient detail to identify all owners,
8 directors, and principal officers, and the title of each
9 principal officer or business entity that, through direct or
10 indirect means, manages, owns, or controls the applicant or
11 licensee.

12 (b) The table of organization, ownership, and control
13 shall identify the following information:

14 (1) The management structure, ownership, and control
15 of the applicant or license holder including the name of
16 each principal officer or business entity, the office or
17 position held, and the percentage ownership interest, if
18 any. If the business entity has a parent company, the name
19 of each owner, board member, and officer of the parent
20 company and the percentage ownership interest in the
21 parent company and the hemp concentrate infuser.

22 (2) If the applicant or licensee is a business entity
23 with publicly traded stock, the identification of
24 ownership shall be provided as required in subsection (c).

25 (c) If a business entity identified in subsection (b) is a

1 publicly traded company, the following information shall be
2 provided in the table of organization, ownership, and control:

3 (1) The name and percentage of ownership interest of
4 each individual or business entity with ownership of more
5 than 5% of the voting shares of the entity, to the extent
6 such information is known or contained in 13D or 13G
7 Securities and Exchange Commission filings.

8 (2) To the extent known, the names and percentage of
9 interest of ownership of persons who are relatives of one
10 another and who together exercise control over or own more
11 than 10% of the voting shares of the entity.

12 (d) A hemp concentrate infuser with a parent company or
13 companies, or partially owned or controlled by another entity,
14 must disclose to the Department the relationship and all
15 owners, board members, officers, or individuals with control
16 or management of those entities. A hemp concentrate infuser
17 organization shall not shield its ownership or control from
18 the Department.

19 (e) A principal officer must submit a complete online
20 application with the Department within 14 days of the hemp
21 concentrate infuser organization being licensed by the
22 Department or within 14 days of Department notice of approval
23 as a new principal officer.

24 (f) A principal officer may not allow the principal
25 officer's registration to expire.

26 (g) A hemp concentrate infuser organization separating

1 with a principal officer must do so under this Act. The
2 principal officer must communicate the separation to the
3 Department within 5 business days.

4 (h) A principal officer not in compliance with the
5 requirements of this Act shall be removed from the principal
6 officer's position with the hemp concentrate infuser or shall
7 otherwise terminate the principal officer's affiliation.
8 Failure to do so may subject the hemp concentrate infuser to
9 discipline, suspension, or revocation of its license by the
10 Department.

11 (i) It is the responsibility of the hemp concentrate
12 infuser and its principal officers to promptly notify the
13 Department of any change of the principal place of business
14 address, hours of operation, change in ownership or control,
15 or a change of the hemp concentrate infuser's primary or
16 secondary contact information. Any changes must be made to the
17 Department in writing.

18 Article 30.

19 Hemp Processor

20 Section 30-5. Hemp processor application. When applying
21 for a license, the applicant shall electronically submit the
22 following in such form as the Department may direct:

- 23 (1) the nonrefundable application fee of \$5,000 for
24 each license for which the applicant is applying, which

1 shall be deposited into the Cannabis Regulation Fund;

2 (2) the legal name of the hemp processor;

3 (3) the proposed physical address of the hemp
4 processor;

5 (4) the name, address, social security number, and
6 date of birth of each principal officer and board member
7 of the hemp processor. Each principal officer and board
8 member shall be at least 21 years of age;

9 (5) the details of any administrative or judicial
10 proceeding in which any of the principal officers or board
11 members of the hemp processor (i) pled guilty, were
12 convicted, fined, or had a registration or license
13 suspended or revoked, or (ii) managed or served on the
14 board of a business or nonprofit organization that pled
15 guilty, was convicted, fined, or had a registration or
16 license suspended or revoked;

17 (6) proposed operating bylaws that include procedures
18 for the oversight of the hemp processor, including the
19 development and implementation of a plant monitoring
20 system, accurate recordkeeping, staffing plan, and
21 security plan approved by the Illinois State Police that
22 are in accordance with the rules issued by the Department
23 under this Act;

24 (7) verification from the Illinois State Police that
25 all background checks of the prospective principal
26 officers, board members, and agents of the hemp processor

1 have been conducted and those persons have not been
2 convicted of an excluded offense;

3 (8) a copy of the current local zoning ordinance and
4 verification that the proposed hemp processor is in
5 compliance with the local zoning rules and distance
6 limitations established by the local jurisdiction;

7 (9) proposed employment practices in which the
8 applicant must demonstrate a plan of action to inform,
9 hire, and educate minorities, women, veterans, and persons
10 with disabilities and engage in fair labor practices and
11 provide worker protections;

12 (10) whether an applicant can demonstrate experience
13 in or business practices that promote economic empowerment
14 in disproportionately impacted areas, as that term is
15 defined in Section 1-10 of the Cannabis Regulation and Tax
16 Act;

17 (11) experience with the extraction, processing, or
18 infusing of oils similar to those derived from cannabis,
19 hemp, or other business practices to be performed by the
20 hemp processor;

21 (12) a description of the enclosed, locked facility
22 where hemp will be processed, packaged, or otherwise
23 prepared for distribution to a cannabis or hemp business
24 establishment or other hemp processor;

25 (13) processing, inventory, and packaging plans;

26 (14) a description of the applicant's experience with

1 manufacturing equipment and chemicals to be used in hemp
2 processing;

3 (15) a list of any academic degrees, certifications,
4 or relevant experience of all prospective principal
5 officers, board members, and agents with related
6 businesses;

7 (16) the identity of every person having a financial
8 or voting interest of 5% or greater in the hemp processor
9 operation with respect to which the license is sought,
10 whether a trust, corporation, partnership, limited
11 liability company, or sole proprietorship, including the
12 name and address of each person;

13 (17) a plan describing how the hemp processor will
14 address each of the following:

15 (A) Energy needs, including estimates of monthly
16 electricity and gas usage, to what extent it will
17 procure energy from a local utility or from on-site
18 generation and if it has or will adopt a sustainable
19 energy use and energy conservation policy.

20 (B) Water needs, including estimated water draw,
21 and if it has or will adopt a sustainable water use and
22 water conservation policy.

23 (C) Waste management, including if it has or will
24 adopt a waste reduction policy; and

25 (18) any other information required by rule.

1 Section 30-10. Inventory. A physical inventory shall be
2 performed of all intermediate hemp products, hemp extract, or
3 hemp concentrate on a weekly basis by the hemp processor.

4 Section 30-15. Issuance of licenses.

5 (a) The Department shall, by rule, develop a system to
6 score hemp processor applications to administratively rank
7 applications based on the clarity, organization, and quality
8 of the applicant's responses to required information.
9 Applicants shall be awarded points based on the following
10 categories:

- 11 (1) Suitability of the proposed facility.
- 12 (2) Suitability of employee training plan.
- 13 (3) Security and recordkeeping plan.
- 14 (4) Processing plan.
- 15 (5) Product safety and labeling plan.
- 16 (6) Business plan.
- 17 (7) Community engagement plan.
- 18 (8) Environmental plan as described in paragraphs
19 (18), (19), (20), and (21) of subsection (a) of Section
20 30-5.

21 (9) The applicant is 51% or more owned and controlled
22 by an individual or individuals who have been an Illinois
23 resident for the past 5 years as proved by tax records or 2
24 of the following:

- 25 (A) A signed lease agreement that includes the

1 applicant's name.

2 (B) A property deed that includes the applicant's
3 name;

4 (C) School records.

5 (D) A voter registration card.

6 (E) An Illinois driver's license, an Illinois
7 Identification Card, or an Illinois Person with a
8 Disability Identification Card.

9 (F) A paycheck stub.

10 (G) A utility bill.

11 (H) Any other proof of residency or other
12 information necessary to establish residence as
13 provided by rule.

14 (10) The applicant is 51% or more controlled and owned
15 by an individual or individuals who meet the
16 qualifications of a veteran as defined in Section 45-57 of
17 the Illinois Procurement Code.

18 (11) A diversity plan that includes a narrative of not
19 more than 2,500 words that establishes a goal of diversity
20 in ownership, management, employment, and contracting to
21 ensure that diverse participants and groups are afforded
22 equality of opportunity.

23 (12) Any other criteria the Department may set by rule
24 for points. A person or entity awarded a license pursuant
25 to this Section may sell its hemp processor licenses
26 subject to the restrictions of this Act or as determined

1 by administrative rule.

2 (b) The applicant shall demonstrate a desire to engage
3 with its community by participating in one or more of, but not
4 limited to, the following actions: (i) establishment of an
5 incubator program designed to increase participation in the
6 hemp industry by persons who would qualify as Social Equity
7 Applicants as defined by the Cannabis Regulation and Tax Act;
8 (ii) providing financial assistance to substance abuse
9 treatment centers; (iii) educating children and teens about
10 the potential harms of hemp concentrate derived products use;
11 or (iv) other measures demonstrating a commitment to the
12 applicant's community.

13 (c) If the applicant be awarded a hemp processor license,
14 the information and plans that an applicant provided in its
15 application, including any plans submitted in the application,
16 shall be a mandatory condition of the license. Any variation
17 from or failure to perform such plans may result in
18 discipline, including the revocation or nonrenewal of a
19 license.

20 (d) Upon the completion of the disparity and availability
21 study pertaining to hemp processors by the Cannabis Regulation
22 Oversight Officer pursuant to subsection (e) of Section 5-45
23 of the Cannabis Regulation and Tax Act, the Department may
24 modify or change the licensing application process to reduce
25 or eliminate barriers from and remedy evidence of
26 discrimination identified in the disparity and availability

1 study.

2 Section 30-20. Denial of application. An application for a
3 hemp processor license must be denied if any of the following
4 conditions are met:

5 (1) The applicant failed to submit the materials
6 required by this Article.

7 (2) The applicant would not be in compliance with
8 local zoning rules or permit requirements.

9 (3) One or more of the principal officers or board
10 members is under 21 years of age.

11 (4) The person has submitted an application for a
12 license under this Act or this Article that contains false
13 information.

14 (5) If the licensee, principal officer, board member,
15 agent, or person having a financial or voting interest of
16 5% or greater in the licensee is delinquent in filing any
17 required tax returns or paying any amounts owed to the
18 State of Illinois.

19 Section 30-25. Hemp processor requirements; prohibitions.

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

1 (b) A hemp processor 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 hemp processor facility and that is accessible
7 to authorized law enforcement and the Department in real time.

8 (c) All processing of hemp into intermediate hemp products
9 and hemp concentrate by a hemp processor must take place in an
10 enclosed, locked facility at the physical address provided to
11 the Department during the licensing process. The hemp
12 processor location shall only be accessed by the agents
13 working for the hemp processor, Department staff performing
14 inspections, Department of Public Health staff performing
15 inspections, State and local law enforcement or other
16 emergency personnel, contractors working on jobs unrelated to
17 hemp processing, such as installing or maintaining security
18 devices or performing electrical wiring, transporting
19 organization agents as provided in this Act, or participants
20 in the incubator program, individuals in a mentoring or
21 educational program approved by the State, or other
22 individuals as provided by rule.

23 (d) A hemp processor may not sell or distribute any
24 intermediate hemp product or hemp concentrate to any person
25 other than an Illinois-registered adult use cannabis craft
26 grower who meets the requirements of a Social Equity

1 Applicant, an adult use cannabis infuser that meets the
2 requirements of a Social Equity Applicant, an adult use
3 cannabis transporter that meets the requirements of a Social
4 Equity Applicant, a hemp concentrate infuser, or other hemp
5 processors.

6 (e) A hemp processor may not be located in an area zoned
7 for residential use.

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

17 (g) All intermediate hemp products or hemp concentrate
18 processed by a hemp processor and intended for distribution to
19 a hemp or cannabis business establishment must be entered into
20 a data collection system and packaged and labeled under this
21 Act before transport.

22 (h) Hemp processors are subject to random inspections by
23 the Department, local safety or health inspectors, the
24 Illinois State Police, or as provided by rule.

25 (i) A hemp processor agent shall notify local law
26 enforcement, the Illinois State Police, and the Department

1 within 24 hours of the discovery of any loss or theft.
2 Notification shall be made by phone, in person, or written or
3 electronic communication.

4 (j) A hemp processor or hemp processor agent shall not
5 transport any intermediate hemp product or hemp concentrate to
6 any other cannabis or hemp business establishment without a
7 hemp distributor license unless:

8 (1) If the hemp processor is located in a county with a
9 population of 3,000,000 or more, the cannabis or hemp
10 business establishment receiving the intermediate hemp
11 products or hemp concentrate is within 2,000 feet of the
12 property line of the hemp processor;

13 (2) If the hemp processor is located in a county with a
14 population of more than 700,000 but fewer than 3,000,000,
15 the cannabis or hemp business establishment receiving the
16 intermediate hemp products or hemp concentrate is within 2
17 miles of the hemp processor; or

18 (3) If the hemp processor is located in a county with a
19 population of fewer than 700,000, the cannabis or hemp
20 business establishment receiving the intermediate hemp
21 products or hemp concentrate is within 15 miles of the
22 hemp processor.

23 (k) A hemp processor may enter into a contract with a hemp
24 distributor or an adult use cannabis transporter organization
25 that meets the requirements of a Social Equity Applicant to
26 transport intermediate hemp product or hemp concentrate to a

1 cannabis or hemp business establishment allowed to process or
2 infuse intermediate hemp product or hemp concentrate under
3 this Act.

4 (l) A person or entity may not hold any legal, equitable,
5 ownership, or beneficial interest, directly or indirectly, of
6 more than 3 hemp processor licenses. Further, a person or
7 entity that is employed by, an agent of, or has a contract to
8 receive payment from or participate in the management of a
9 hemp processor, is a principal officer of a hemp processor, or
10 entity controlled by or affiliated with a principal officer of
11 a hemp processor may not hold any legal, equitable, ownership,
12 or beneficial interest, directly or indirectly, in a hemp
13 processor license that would result in the person or entity
14 owning or controlling in combination with any hemp processor,
15 principal officer of a hemp processor, or entity controlled or
16 affiliated with a principal officer of a hemp processor by
17 which he, she, or it is employed, is an agent of, or
18 participates in the management of more than 3 hemp processor
19 licenses.

20 (m) A hemp processor shall not be located within 1,500
21 feet of another hemp processor.

22 (n) A hemp processor may process industrial hemp, as
23 defined by the Industrial Hemp Act, intermediate hemp product,
24 hemp concentrate, or full spectrum concentrate and broad
25 spectrum extract that is to be used in either hemp extract
26 derived products or hemp concentrate derived products.

1 (o) A hemp processor shall comply with any other
2 requirements or prohibitions set by administrative rule of the
3 Department.

4 Section 30-30. Hemp processor agent identification card.

5 (a) The Department shall:

6 (1) establish, by rule, the information required in an
7 initial application or renewal application for a hemp
8 processor agent identification card submitted under this
9 Act and the nonrefundable fee to accompany the initial
10 application or renewal application;

11 (2) verify the information contained in an initial
12 application or renewal application for a hemp processor
13 agent identification card submitted under this Act and
14 approve or deny an application within 30 days of receiving
15 a completed initial application or renewal application and
16 all supporting documentation required by rule;

17 (3) issue an hemp processor agent identification card
18 to a qualifying agent within 15 business days of approving
19 the initial application or renewal application;

20 (4) enter the license number of the hemp processor
21 where the agent works; and

22 (5) allow for an electronic initial application and
23 renewal application process, and provide a confirmation by
24 electronic or other methods that an application has been
25 submitted. The Department may, by rule, require

1 prospective agents to file their applications by
2 electronic means and provide notices to the agents by
3 electronic means.

4 (b) A hemp processor agent must keep the hemp processor
5 agent's hemp processor agent identification card visible at
6 all times when on the property of a cannabis or hemp business
7 establishment, including the hemp processor for which the
8 person is an agent for.

9 (c) The hemp processor agent identification cards shall
10 contain the following:

11 (1) The name of the cardholder.

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

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

17 (4) A photograph of the cardholder.

18 (5) The legal name of the hemp processor employing the
19 agent.

20 (d) A hemp processor agent identification card shall be
21 immediately returned to the hemp business establishment of the
22 agent upon termination of the agent's employment.

23 (e) A hemp processor agent identification card lost by a
24 hemp processor agent shall be reported to the Illinois State
25 Police and the Department immediately upon discovery of the
26 loss.

1 Section 30-35. Hemp processor background checks.

2 (a) Through the Illinois State Police, the Department
3 shall conduct a background check of the prospective principal
4 officers, board members, and agents of a hemp processor
5 applying for a license or hemp processor agent identification
6 card under this Article. The Illinois State Police shall
7 charge a fee set by rule for conducting the criminal history
8 record check, which shall be deposited into the State Police
9 Services Fund and shall not exceed the actual cost of the
10 record check. Each hemp concentrate infuser prospective
11 principal officer, board member, or agent shall submit a full
12 set of fingerprints to the Illinois State Police for the
13 purpose of obtaining a State and federal criminal records
14 check. These fingerprints shall be checked against the
15 fingerprint records during the application process and in a
16 frequency thereafter as prescribed by the Department, to the
17 extent allowed by law, filed in any relevant Illinois State
18 Police and Federal Bureau of Investigation criminal history
19 records databases. The Illinois State Police shall furnish,
20 following positive identification, all conviction information
21 to the Department.

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

1 or issuing agency.

2 Section 30-40. Renewal of hemp processor licenses and
3 agent identification cards.

4 (a) A license or hemp processor agent identification card
5 issued under this Article shall be renewed annually. A hemp
6 processor shall receive written or electronic notice 90 days
7 before the expiration of its current license that the license
8 will expire. The Department shall grant a renewal within 45
9 days of submission of a renewal application if:

10 (1) The hemp processor submits a renewal application
11 and the required nonrefundable renewal fee of \$40,000, or
12 another amount as the Department may set by rule after
13 January 1, 2025.

14 (2) The Department has not suspended the license of
15 the hemp processor or suspended or revoked the license of
16 the hemp processor for violating this Act or rules adopted
17 under this Act.

18 (3) The hemp processor has continued to operate in
19 accordance with all plans submitted as part of its
20 application and approved by the Department or any
21 amendments thereto that have been approved by the
22 Department.

23 (4) The hemp processor has submitted an agent,
24 employee, contracting, and subcontracting diversity report
25 as required by the Department.

1 (5) The hemp processor has submitted an environmental
2 impact report.

3 (b) If a hemp processor fails to renew its license before
4 expiration, the hemp processor shall cease operations until
5 its license is renewed.

6 (c) If a hemp processor agent fails to renew the agent's
7 hemp processor agent identification card before its
8 expiration, the agent shall cease to work as an agent of the
9 hemp processor until his or her identification card is
10 renewed.

11 (d) Any hemp processor that continues to operate or any
12 hemp processor agent who continues to work as an agent after
13 the applicable license or a hemp processor agent
14 identification card has expired without renewal is subject to
15 the penalties provided under this Act.

16 (e) All fees or fines collected from the renewal of a hemp
17 processor license shall be deposited into the Cannabis
18 Regulation Fund.

19 Section 30-45. Hemp processor taxes; returns.

20 (a) A tax is imposed upon the privilege of processing hemp
21 into intermediate hemp products at the rate of 7% of the gross
22 receipts from the sale of intermediate hemp products, hemp
23 concentrate, or hemp extract by a hemp processor to a
24 qualified cannabis or hemp business establishment. The sale of
25 any hemp cannabinoid product that contains any amount of hemp

1 cannabinoids or any derivative thereof is subject to the tax
2 under this Section on the full selling price of the product.
3 The proceeds from this tax shall be deposited into the
4 Cannabis Regulation Fund. This tax shall be paid by the hemp
5 processor who makes the first sale and is not the
6 responsibility of a craft grower who meets the requirements of
7 a Social Equity Applicant, an infuser that meets the
8 requirements of Social Equity Applicant, a transporter that
9 meets the requirements of a Social Equity Applicant, a hemp
10 concentrate infuser, a hemp extract infuser, or another hemp
11 processor.

12 (b) In the administration of and compliance with this
13 Section, the Department of Revenue and persons who are subject
14 to this Section: (i) have the same rights, remedies,
15 privileges, immunities, powers, and duties, (ii) are subject
16 to the same conditions, restrictions, limitations, penalties,
17 and definitions of terms, and (iii) shall employ the same
18 modes of procedure as are set forth in the Intermediate Hemp
19 Product Processing Tax Law and the Uniform Penalty and
20 Interest Act as if those provisions were set forth in this
21 Section.

22 (c) The tax imposed under this Act shall be in addition to
23 all other occupation or privilege taxes imposed by the State
24 of Illinois or by any municipal corporation or political
25 subdivision thereof.

1 Section 30-50. Disclosure of ownership and control.

2 (a) Each hemp processor applicant and licensee shall file
3 and maintain a table of organization, ownership, and control
4 with the Department. The table of organization, ownership, and
5 control shall contain the information required by this Section
6 in sufficient detail to identify all owners, directors, and
7 principal officers, and the title of each principal officer or
8 business entity that, through direct or indirect means,
9 manages, owns, or controls the applicant or licensee.

10 (b) The table of organization, ownership, and control
11 shall identify the following information:

12 (1) The management structure, ownership, and control
13 of the applicant or license holder including the name of
14 each principal officer or business entity, the office or
15 position held, and the percentage ownership interest, if
16 any. If the business entity has a parent company, the name
17 of each owner, board member, and officer of the parent
18 company and the percentage ownership interest in the
19 parent company and the hemp processor.

20 (2) If the applicant or licensee is a business entity
21 with publicly traded stock, the identification of
22 ownership shall be provided as required in subsection (c).

23 (c) If a business entity identified in subsection (b) is a
24 publicly traded company, the following information shall be
25 provided in the table of organization, ownership, and control:

26 (1) The name and percentage of ownership interest of

1 each individual or business entity with ownership of more
2 than 5% of the voting shares of the entity, to the extent
3 such information is known or contained in 13D or 13G
4 Securities and Exchange Commission filings.

5 (2) To the extent known, the names and percentage of
6 interest of ownership of persons who are relatives of one
7 another and who together exercise control over or own more
8 than 10% of the voting shares of the entity.

9 (d) A hemp processor with a parent company or companies,
10 or partially owned or controlled by another entity, must
11 disclose to the Department the relationship and all owners,
12 board members, officers, or individuals with control or
13 management of those entities. A hemp processor shall not
14 shield its ownership or control from the Department.

15 (e) A principal officer must submit a complete online
16 application with the Department within 14 days of the hemp
17 processor being licensed by the Department or within 14 days
18 of Department notice of approval as a new principal officer.

19 (f) A principal officer may not allow the principal
20 officer's registration to expire.

21 (g) A hemp processor separating with a principal officer
22 must do so under this Act. The principal officer must
23 communicate the separation to the Department within 5 business
24 days.

25 (h) A principal officer not in compliance with the
26 requirements of this Act shall be removed from the principal

1 officer's position with the hemp processor or shall otherwise
2 terminate the principal officer's affiliation. Failure to do
3 so may subject the hemp processor to discipline, suspension,
4 or revocation of its license by the Department.

5 (i) It is the responsibility of the hemp processor and its
6 principal officers to promptly notify the Department of any
7 change of the principal place of business address, hours of
8 operation, change in ownership or control, or a change of the
9 hemp processor's primary or secondary contact information. Any
10 changes must be made to the Department in writing.

11 Article 35.

12 Hemp Distributor

13 Section 35-5. Hemp distributor application. When applying
14 for a hemp distributor license, the applicant shall
15 electronically submit the following in such form as the
16 Department may direct:

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

20 (2) the legal name of the hemp distributor license;

21 (3) the proposed physical address of the hemp
22 distributor, if one is proposed;

23 (4) the name, address, social security number, and
24 date of birth of each principal officer and board member

1 of the hemp distributor. Each principal officer and board
2 member shall be at least 21 years of age;

3 (5) the details of any administrative or judicial
4 proceeding in which any of the principal officers or board
5 members of the hemp distributor (i) pled guilty, were
6 convicted, fined, or had a registration or license
7 suspended or revoked, or (ii) managed or served on the
8 board of a business or nonprofit organization that pled
9 guilty, was convicted, fined, or had a registration or
10 license suspended or revoked;

11 (6) proposed operating bylaws that include procedures
12 for the oversight of the hemp distributor, including the
13 development and implementation of an accurate
14 recordkeeping plan, staffing plan, and security plan
15 approved by the Illinois State Police that are in
16 accordance with the rules issued by the Department under
17 this Act;

18 (7) verification from the Illinois State Police that
19 all background checks of the prospective principal
20 officers, board members, and agents of the hemp
21 distributor have been conducted;

22 (8) a copy of the current local zoning ordinance or
23 permit and verification that the proposed hemp distributor
24 is in compliance with the local zoning rules and distance
25 limitations established by the local jurisdiction, if the
26 hemp distributor has a business address;

1 (9) proposed employment practices, in which the
2 applicant must demonstrate a plan of action to inform,
3 hire, and educate minorities, women, veterans, and persons
4 with disabilities, engage in fair labor practices, and
5 provide worker protections;

6 (10) whether an applicant can demonstrate experience
7 in or business practices that promote economic empowerment
8 in disproportionately impacted areas, as that term is
9 defined in Section 1-10 of the Cannabis Regulation and Tax
10 Act;

11 (11) the number and type of equipment the hemp
12 distributor will use to transport hemp extract derived
13 products and hemp concentrate derived products;

14 (12) loading, transporting, and unloading plans;

15 (13) a description of the applicant's experience in
16 the distribution or security business;

17 (14) the identity of every person having a financial
18 or voting interest of 5% or more in the hemp distributor
19 organization with respect to which the license is sought,
20 whether a trust, corporation, partnership, limited
21 liability company, or sole proprietorship, including the
22 name and address of each person; and

23 (15) any other information required by rule.

24 Section 35-10. Issuing licenses.

25 (a) The Department shall, by rule, develop a system to

1 score distributor applications to administratively rank
2 applications based on the clarity, organization, and quality
3 of the applicant's responses to required information.
4 Applicants shall be awarded points based on the following
5 categories:

6 (1) suitability of employee training plan;

7 (2) security and recordkeeping plan;

8 (3) business plan;

9 (4) labor and employment practices, which shall
10 constitute no less than 2% of total available points;

11 (5) environmental plan that demonstrates an
12 environmental plan of action to minimize the carbon
13 footprint, environmental impact, and resource needs for
14 the distributor, which may include, without limitation,
15 recycling hemp cannabinoid product packaging;

16 (6) the applicant is 51% or more owned and controlled
17 by an individual or individuals who have been an Illinois
18 resident for the past 5 years as proved by tax records or 2
19 of the following:

20 (A) A signed lease agreement that includes the
21 applicant's name.

22 (B) A property deed that includes the applicant's
23 name.

24 (C) School records.

25 (D) A voter registration card.

26 (E) An Illinois driver's license, an Illinois

1 Identification Card, or an Illinois Person with a
2 Disability Identification Card.

3 (F) A paycheck stub.

4 (G) A utility bill.

5 (H) Any other proof of residency or other
6 information necessary to establish residence as
7 provided by rule;

8 (7) the applicant is 51% or more controlled and owned
9 by an individual or individuals who meet the
10 qualifications of a veteran, as that term is defined in
11 Section 45-57 of the Illinois Procurement Code;

12 (8) a diversity plan that includes a narrative of not
13 more than 2,500 words that establishes a goal of diversity
14 in ownership, management, employment, and contracting to
15 ensure that diverse participants and groups are afforded
16 equality of opportunity; and

17 (9) any other criteria the Department may set by rule
18 for points.

19 (b) Applicants for hemp distributor licenses that score at
20 least 75% of the available points according to the system
21 developed by rule and meet all other requirements for a hemp
22 distributor license shall be issued a license by the
23 Department within 60 days of receiving the application.

24 (c) If the applicant is awarded a hemp distributor
25 license, the information and plans that an applicant provided
26 in its application shall be a mandatory condition of the

1 permit. Any variation from or failure to perform such plans
2 may result in discipline, including the revocation or
3 nonrenewal of a license.

4 (d) If the applicant is awarded a hemp distributor
5 license, the applicant shall pay a prorated fee of \$10,000
6 prior to receiving the license to be deposited into the
7 Cannabis Regulation Fund.

8 Section 35-15. Denial of application. An application for a
9 hemp distributor license shall be denied if any of the
10 following conditions are met:

11 (1) The applicant failed to submit the materials
12 required by this Article.

13 (2) The applicant would not be in compliance with
14 local zoning rules or permit requirements.

15 (3) One or more of the prospective principal officers
16 or board members causes a violation of this Article.

17 (4) One or more of the principal officers or board
18 members is under 21 years of age.

19 (5) The person has submitted an application for a
20 license under this Act that contains false information.

21 (6) The licensee, principal officer, board member, or
22 person having a financial or voting interest of 5% or
23 greater in the licensee is delinquent in filing any
24 required tax returns or paying any amounts owed to the
25 State of Illinois.

1 Section 35-20. Hemp distributor requirements;
2 prohibitions.

3 (a) The operating documents of a hemp distributor shall
4 include procedures for the oversight of the hemp distributor,
5 an inventory monitoring system, including a physical inventory
6 recorded weekly, accurate recordkeeping, and a staffing plan.

7 (b) A hemp distributor may not distribute intermediate
8 hemp products, hemp concentrate, or hemp concentrate derived
9 products to any person other than an Illinois-registered adult
10 use craft grower that meets the requirements of a Social
11 Equity Applicant, an adult use cannabis infuser that meets the
12 requirements of a Social Equity Applicant, an adult use
13 cannabis transporter that meets the requirements of a Social
14 Equity Applicant, a hemp concentrate infuser, hemp processor,
15 a testing facility, or as otherwise authorized by rule.

16 (c) A hemp cannabinoid product distributed by a hemp
17 distributor must be entered into a data collection system and
18 placed into a hemp container for distribution.

19 (d) Hemp distributors are subject to random inspections by
20 the Department, the Department of Public Health, the Illinois
21 State Police, or as provided by rule.

22 (e) A hemp distributor agent shall notify local law
23 enforcement, the Illinois State Police, and the Department
24 within 24 hours of the discovery of any loss or theft.
25 Notification shall be made by phone, in person, or by written

1 or electronic communication.

2 (f) No person under the age of 21 years shall be in a
3 commercial vehicle or trailer distribution of hemp cannabinoid
4 goods.

5 (g) No person or individual who is not a hemp distributor
6 agent shall be in a vehicle while distributing hemp
7 cannabinoid goods.

8 (h) Hemp distributors may not use commercial motor
9 vehicles with a weight rating of over 10,001 pounds.

10 (i) It is unlawful for any person to offer or deliver
11 money, or anything else of value, directly or indirectly, to
12 any of the following persons to obtain preferential placement
13 within the hemp concentrate retailer's or Qualifying
14 Applicant's or a Social Equity Justice Involved Applicant's,
15 as defined by the Cannabis Regulation and Tax Act, dispensary
16 shelves, including, without limitation, on shelves and in
17 display cases where purchasers can view products, or on the
18 website of the hemp concentrate retailer or on the website of
19 the Qualifying Applicant or on the website of the Social
20 Equity Justice Involved Applicant dispensary under the
21 Cannabis Regulation and Tax Act:

22 (1) a person having a hemp distributor license, or any
23 officer, associate, member, representative, or agent of
24 the licensee;

25 (2) a person having an Illinois-registered adult use
26 craft grower that meets the requirements of a Social

1 Equity Applicant, an adult use cannabis infuser that meets
2 the requirements of a Social Equity Applicant hemp
3 concentrate infuser, hemp extract infuser, or hemp
4 processor license;

5 (3) a person connected with or in any way
6 representing, or a member of the family of, a person
7 holding an Illinois-registered adult use craft grower that
8 meets the requirements of a Social Equity Applicant, an
9 adult use cannabis infuser that meets the requirements of
10 a Social Equity Applicant, hemp concentrate infuser, hemp
11 extract infuser, or hemp processor license; or

12 (4) a stockholder, officer, manager, agent, or
13 representative of a corporation engaged in an
14 Illinois-registered adult use craft grower that meets the
15 requirements of a Social Equity Applicant, an adult use
16 cannabis infuser that meets the requirements of a Social
17 Equity Applicant, hemp concentrate infuser, hemp extract
18 infuser, or hemp processor license.

19 (j) A hemp distributor agent must keep the agent's
20 identification card visible at all times when on the property
21 of a cannabis or hemp business establishment and during the
22 distribution of hemp cannabinoid products when acting under
23 the agent's duties as a hemp distributor agent. During these
24 times, the hemp distributor agent must also provide the
25 identification card upon request of any law enforcement
26 officer engaged in the agent's official duties.

1 (k) A copy of the hemp distributor's registration and a
2 manifest for the delivery shall be present in any vehicle
3 distributing hemp cannabinoid products.

4 (l) Any hemp cannabinoid product shall be transported so
5 it is not visible or recognizable from outside the vehicle.

6 (m) A vehicle distributing hemp cannabinoid products must
7 not bear any markings to indicate the vehicle contains hemp
8 cannabinoid products or bear the name or logo of the hemp
9 business establishment.

10 (n) Hemp cannabinoid products must be transported in an
11 enclosed, locked storage compartment that is secured or
12 affixed to the vehicle.

13 (o) The Department may, by rule, impose any other
14 requirements or prohibitions on the transportation of hemp
15 cannabinoid products.

16 Section 35-25. Hemp distributor agent identification card.

17 (a) The Department shall:

18 (1) establish, by rule, the information required in an
19 initial application or renewal application for a hemp
20 distributor agent identification card submitted under this
21 Act and the nonrefundable fee to accompany the initial
22 application or renewal application;

23 (2) verify the information contained in an initial
24 application or renewal application for a hemp distributor
25 agent identification card submitted under this Act and

1 approve or deny an application within 30 days of receiving
2 a completed initial application or renewal application and
3 all supporting documentation required by rule;

4 (3) issue a hemp distributor agent identification card
5 to a qualifying agent within 15 business days of approving
6 the initial application or renewal application;

7 (4) enter the license number of the transporting
8 organization where the agent works; and

9 (5) allow for an electronic initial application and
10 renewal application process and provide a confirmation by
11 electronic or other methods that an application has been
12 submitted. The Department may, by rule, require
13 prospective agents to file their applications by
14 electronic means and provide notices to the agents by
15 electronic means.

16 (b) An agent must keep the agent's hemp distributor agent
17 identification card visible at all times when on the property
18 of a cannabis or hemp business establishment, including the
19 hemp business establishment for which the person is an agent.

20 (c) Hemp distributor agent identification cards shall
21 contain the following:

22 (1) The name of the cardholder.

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

25 (3) A random 10-digit alphanumeric identification
26 number containing at least 4 numbers and at least 4

1 letters that is unique to the holder.

2 (4) A photograph of the cardholder.

3 (5) The legal name of the hemp distributor employing
4 the agent.

5 (d) A hemp distributor agent identification card shall be
6 immediately returned to the hemp distributor of the agent upon
7 termination of the agent's employment.

8 (e) A hemp distributor agent identification card lost by a
9 hemp distributor agent shall be reported to the Illinois State
10 Police and the Department immediately upon discovery of the
11 loss.

12 (f) An application for a hemp distributor agent
13 identification card shall be denied if the applicant is
14 delinquent in filing any required tax returns or paying any
15 amounts owed to the State of Illinois.

16 (g) An agent applicant may begin employment at a hemp
17 distributor while the agent applicant's hemp distributor agent
18 identification card application is pending. Upon approval, the
19 Department shall issue the agent's hemp distributor agent
20 identification card to the agent. If denied, the hemp
21 distributor and the agent applicant shall be notified and the
22 agent applicant must cease all activity at the transporting
23 organization immediately.

24 Section 35-30. Hemp distributor organization background
25 checks.

1 (a) Through the Illinois State Police, the Department
2 shall conduct a background check of the prospective principal
3 officers, board members, and agents of a hemp distributor
4 applying for a license or a hemp distributor agent
5 identification card under this Article. The Illinois State
6 Police shall charge a fee set by rule for conducting the
7 criminal history record check, which shall be deposited into
8 the State Police Services Fund and shall not exceed the actual
9 cost of the record check. Each hemp distributor's prospective
10 principal officer, board member, or agent shall submit a full
11 set of fingerprints to the Illinois State Police for the
12 purpose of obtaining a State and federal criminal records
13 check. These fingerprints shall be checked against the
14 fingerprint records during the application process and in a
15 frequency thereafter as prescribed by the Department, to the
16 extent allowed by law, filed in any relevant Illinois State
17 Police and Federal Bureau of Investigation criminal history
18 records databases. The Illinois State Police shall furnish,
19 following positive identification, all conviction information
20 to the Department.

21 (b) When applying for the initial license or
22 identification card, the background checks for all prospective
23 principal officers, board members, and agents shall be
24 completed before submitting the application to the Department.

25 Section 35-35. Renewal of hemp distributor licenses and

1 agent identification cards.

2 (a) Any license or hemp distributor agent identification
3 card issued under this Article shall be renewed annually. A
4 hemp distributor shall receive written or electronic notice 90
5 days before the expiration of its current license that the
6 license will expire. The Department shall grant a renewal
7 within 45 days of submission of a renewal application if:

8 (1) the hemp distributor submits a renewal application
9 and the required nonrefundable renewal fee of \$10,000, or
10 after January 1, 2025, another amount set by rule by the
11 Department, to be deposited into the Cannabis Regulation
12 Fund;

13 (2) the Department has not suspended or revoked the
14 license of the hemp distributor for violating this Act or
15 rules adopted under this Act;

16 (3) the hemp distributor has continued to operate in
17 accordance with all plans submitted as part of its
18 application and approved by the Department or any
19 amendments thereto that have been approved by the
20 Department; and

21 (4) the hemp distributor has submitted an agent,
22 employee, contracting, and subcontracting diversity report
23 as required by the Department.

24 (b) If a hemp distributor fails to renew its license
25 before expiration, the hemp distributor shall cease operations
26 until its license is renewed.

1 (c) If a hemp distributor agent fails to renew the agent's
2 hemp distributor agent identification card before the card's
3 expiration, the agent shall cease to work as an agent of the
4 hemp distributor until the agent's hemp distributor agent
5 identification card is renewed.

6 (d) Any hemp distributor that continues to operate, or any
7 hemp distributor agent who continues to work as an agent,
8 after the applicable license or identification card has
9 expired without renewal is subject to the penalties provided
10 under this Act.

11 (e) The Department shall not renew a license or a hemp
12 distributor agent identification card if the applicant is
13 delinquent in filing any required tax returns or paying any
14 amounts owed to the State of Illinois.

15 Section 35-40. Disclosure of ownership and control.

16 (a) Each hemp distributor applicant and licensee shall
17 file and maintain a table of organization, ownership, and
18 control with the Department. The table of organization,
19 ownership, and control shall contain the information required
20 by this Section in sufficient detail to identify all owners,
21 directors, and principal officers, and the title of each
22 principal officer or business entity that, through direct or
23 indirect means, manages, owns, or controls the applicant or
24 licensee.

25 (b) The table of organization, ownership, and control

1 shall identify the following information:

2 (1) The management structure, ownership, and control
3 of the applicant or license holder including the name of
4 each principal officer or business entity, the office or
5 position held, and the percentage ownership interest, if
6 any. If the business entity has a parent company, the name
7 of each owner, board member, and officer of the parent
8 company and the agent's percentage ownership interest in
9 the parent company and the hemp distributor.

10 (2) If the applicant or licensee is a business entity
11 with publicly traded stock, the identification of
12 ownership shall be provided as required in subsection (c).

13 (c) If a business entity identified in subsection (b) is a
14 publicly traded company, the following information shall be
15 provided in the table of organization, ownership, and control:

16 (1) The name and percentage of ownership interest of
17 each individual or business entity with ownership of more
18 than 5% of the voting shares of the entity, to the extent
19 such information is known or contained in 13D or 13G
20 Securities and Exchange Commission filings.

21 (2) To the extent known, the names and percentage of
22 interest of ownership of persons who are relatives of one
23 another and who together exercise control over or own more
24 than 10% of the voting shares of the entity.

25 (d) A hemp distributor with a parent company or companies,
26 or partially owned or controlled by another entity, must

1 disclose to the Department the relationship and all owners,
2 board members, officers, or individuals with control or
3 management of those entities. A hemp distributor shall not
4 shield its ownership or control from the Department.

5 (e) All principal officers must submit a completed online
6 application with the Department within 14 days of the hemp
7 distributor being licensed by the Department or within 14 days
8 of Department notice of approval as a new principal officer.

9 (f) A principal officer may not allow the principal
10 officer's registration to expire.

11 (g) A hemp distributor separating with a principal officer
12 must do so under this Act. The principal officer must
13 communicate the separation to the Department within 5 business
14 days.

15 (h) A principal officer not in compliance with the
16 requirements of this Act shall be removed from the principal
17 officer's position with the hemp distributor or shall
18 otherwise terminate the principal officer's affiliation.
19 Failure to do so may subject the transporting organization to
20 discipline, suspension, or revocation of its license by the
21 Department.

22 (i) It is the responsibility of the hemp distributor and
23 its principal officers to promptly notify the Department of
24 any change of the principal place of business address, hours
25 of operation, change in ownership or control, or a change of
26 the transporting organization's primary or secondary contact

1 information. Any changes must be made to the Department in
2 writing.

3 Article 40.

4 Hemp Derived Products

5 Section 40-5. Hemp extract derived products.

6 (a) Any hemp cannabinoid products manufactured, processed,
7 distributed, sold, or offered for sale in this State shall:

8 (1) be manufactured in accordance with this Act;

9 (2) be subject to the following minimum requirements:

10 (A) contain naturally occurring hemp
11 phytocannabinoids;

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

15 (C) contain a total tetrahydrocannabinol
16 concentration of no greater than:

17 (i) 0.3% for any intermediate or finished
18 plant product or material or any hemp cannabinoid
19 product intended for consumption by inhalation or
20 smoking; or

21 (ii) 0.5 milligrams per serving or individual
22 product unit, and 2 milligrams per package for
23 products sold in multiple servings or units, for
24 any beverage, food, oil, ointment, tincture,

1 topical formation or any other product that is
2 intended for human consumption by means other than
3 inhalation or smoking;

4 (D) contain an amount of total hemp cannabinoid
5 concentration that is at least 25 times greater than
6 the amount of total tetrahydrocannabinol concentration
7 per serving and per package;

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

11 (4) not contain tobacco or nicotine in the product;

12 (5) accurately reflect testing results and not contain
13 less than 90% or more than 110% of the concentration of
14 total cannabinoid content as listed on the product label;

15 (6) be prepackaged and not added to food or any other
16 consumable products at the point of sale;

17 (7) comply with product testing standards set forth in
18 this Act; and

19 (8) not contain hemp concentrate, artificially derived
20 cannabinoids, or cannabinoids created through
21 isomerization, including tetrahydrocannabinol created
22 through isomerization.

23 (b) Any hemp extract derived product intended for
24 inhalation or vaporization shall meet the following additional
25 requirements:

26 (1) The product shall be a closed system with a

1 pre-filled disposable cartridge that attaches to a
2 rechargeable battery or a single-use product that cannot
3 be recharged.

4 (2) Electronic vaporization devices shall have
5 internal or external temperature controls to prevent
6 combustion and have a heating element made of inert
7 material, such as glass, ceramic, or stainless steel, and
8 not plastic or rubber.

9 (3) Except for hemp-derived terpenes, excipients and
10 ingredients must be pharmaceutical grade, unless otherwise
11 approved by the Department, and shall not include:

12 (A) synthetic terpenes;

13 (B) polyethylene glycol (PEG);

14 (C) vitamin E acetate;

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

16 (E) medicinal compounds;

17 (F) illegal or controlled substances;

18 (G) artificial food coloring;

19 (H) benzoic acid;

20 (I) diketones; or

21 (J) any other compound or ingredient as determined

22 by the Department in rules.

23 (4) The product may not contain any flavors or
24 flavoring agents, except for hemp-derived terpenes.

25 (5) The packaging shall include a Department-approved
26 symbol, as set out by rule, in a manner that is clear and

1 conspicuous.

2 Section 40-10. Hemp concentrate derived products.

3 (a) Hemp concentrate derived products manufactured,
4 processed, distributed, sold, or offered for sale in this
5 State shall:

6 (1) be manufactured in accordance with this Act;

7 (2) be subject to the following minimum requirements:

8 (A) contain only cannabinoids derived from hemp;

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

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

14 (i) 0.3% for any intermediate or finished
15 plant product or material or any hemp cannabinoid
16 product intended for consumption by inhalation or
17 smoking; or

18 (ii) 5 milligrams per serving or individual
19 product unit, and 50 milligrams per package for
20 products sold in multiple servings or units, for
21 any beverage, food, oil, ointment, tincture,
22 topical formation or any other product that is
23 intended for human consumption by means other than
24 inhalation or smoking;

25 (3) not contain liquor, wine, beer, or cider or meet

1 the definition of alcoholic liquor under the Liquor
2 Control Act of 1934;

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

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

7 (6) be prepackaged and not added to food or any other
8 consumable products at the point of sale; and

9 (7) comply with product testing standards set forth in
10 this Act.

11 (b) If the product is a hemp concentrate derived product
12 intended for inhalation or vaporization, then the product
13 shall meet the following additional requirements:

14 (1) The product shall be a closed system with a
15 pre-filled disposable cartridge that attaches to a
16 rechargeable battery or a single-use product that cannot
17 be recharged.

18 (2) Electronic vaporization devices shall have
19 internal or external temperature controls to prevent
20 combustion and have a heating element made of inert
21 material, such as glass, ceramic, or stainless steel, and
22 not plastic or rubber.

23 (3) Except for hemp cannabinoids, hemp extract, and
24 hemp concentrate, excipients and ingredients must be
25 pharmaceutical grade, unless otherwise approved by the
26 Department, and may not include;

- 1 (A) polyethylene glycol (PEG);
- 2 (B) vitamin E acetate;
- 3 (C) medium chain triglycerides (MCT oil);
- 4 (D) medicinal compounds;
- 5 (E) illegal or controlled substances;
- 6 (F) artificial food coloring
- 7 (G) benzoic acid;
- 8 (H) diketones; or
- 9 (I) any other compound or ingredient as determined
- 10 by the Department in rules.

11 (4) The product may not contain any flavors or
12 flavoring agents, except for hemp-derived terpenes.

13 (5) The packaging shall include a Department-approved
14 symbol, as set out by rule, in a manner that is clear and
15 conspicuous.

16 Section 40-15. Packaging and labeling of hemp extract
17 derived products.

18 (a) A hemp extract derived product distributed or offered
19 for retail sale in this State shall include the following
20 information on the product label or packaging:

21 (1) information that complies with the requirements in
22 21 CFR 101 and include a nutritional or supplement fact
23 panel that is based on the number of servings within the
24 container;

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

1 predominance by weight in the product;

2 (3) The serving size and number of servings per
3 package or container, including the milligrams per serving
4 of:

5 (A) individual hemp cannabinoids;

6 (B) total hemp cannabinoids;

7 (C) individual THC cannabinoids;

8 (D) total THC;

9 (E) any other cannabinoids;

10 (F) an expiration date;

11 (G) a lot or batch number;

12 (H) the name of the hemp processor, craft grower,
13 or cultivation center that is allowed to process hemp
14 in accordance with this Act, whether in-state or
15 out-of-state;

16 (I) a scannable QR code linked to download the
17 certificate of analysis and testing results for the
18 product;

19 (J) the state or country of origin from which the
20 hemp used in the product was sourced;

21 (K) a means for reporting serious adverse events;

22 and

23 (L) any other marking, statement, or symbol
24 required by the Department.

25 (b) No hemp extract derived product offered for retail
26 sale shall be made attractive to individuals under 21 years of

1 age, imitate a candy label, or use cartoons or other images
2 popularly used to advertise to children or otherwise be
3 marketed to individuals under 21 years of age.

4 (c) No hemp extract derived product shall be marketed,
5 advertised, or offered for sale in a manner that would cause a
6 reasonable consumer:

7 (1) to be confused as to whether the hemp extract
8 derived product is trademarked, marked, or labeled in a
9 manner that violates any federal trademark law or
10 regulation; or

11 (2) to believe that a hemp extract derived product is
12 cannabis, medical cannabis, or that a licensee is
13 authorized to sell or dispense cannabis or medical
14 cannabis, as those terms are defined in the Cannabis
15 Regulation and Tax Act or the Compassionate Use of Medical
16 Cannabis Program Act.

17 (d) Hemp extract derived product offered for retail sale
18 shall include the following warnings on the product label or
19 packaging in a manner that is clear and conspicuous:

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

22 (2) this product is derived from hemp and may contain
23 THC which could result in a failed drug test; except that
24 this warning may be omitted for a hemp extract derived
25 product that has a certificate of testing analysis
26 demonstrating 0% THC concentration in the finished

1 product;

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

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

6 (5) for a hemp extract derived product intended to be
7 inhaled or vaporized, a warning stating that smoking or
8 vaping is hazardous to your health; and

9 (6) any other warning required by the Department.

10 Section 40-20. Laboratory testing requirements for hemp
11 cannabinoid products.

12 (a) The Department shall approve testing laboratories to
13 be contracted by licensees under this Act for testing of hemp
14 cannabinoid products.

15 (b) All approved testing laboratories shall meet the
16 following minimum requirements:

17 (1) maintain ISO/IEC 17025 accreditation for the
18 premises and for the testing of one or more of the analytes
19 determined by the Department;

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

24 (3) maintain method validation reports for all testing
25 performed;

1 (4) maintain standard operating procedures for the
2 sampling of hemp cannabinoid products; and

3 (5) maintain testing methodologies to ascertain the
4 presence of intermediate hemp products, hemp extract, hemp
5 concentrate, or cannabinoids created through
6 isomerization, including tetrahydrocannabinol created
7 through isomerization.

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

12 (d) The Department may impose additional testing
13 requirements, including, but not limited to, testing for
14 additional analytes, setting stricter contaminant limits, and
15 mandating the use of specific sampling methodologies per lot
16 or batch manufactured.

17 (e) The Department shall make available a list of required
18 analytes, their acceptable limits, and approved testing
19 methods on the Department's website and in any other manner as
20 determined by the Department.

21 (f) The total tetrahydrocannabinol concentration for hemp
22 cannabinoid products shall not exceed the limits established
23 in this Act.

24 (g) If a hemp cannabinoid product fails testing, the hemp
25 processor may elect to reformulate the failing batch to reduce
26 the total tetrahydrocannabinol of the batch to comply with the

1 THC limits established by this Act. If the reformulated batch
2 still exceeds the THC limits, the hemp processor shall destroy
3 the batch.

4 (h) If a hemp cannabinoid product is found to contain
5 levels of any pathogen, toxicant, residual solvent, metal, or
6 pesticide not enumerated in this Section or by other State
7 law, then the product shall not be sold in this State.

8 Section 40-25. Advertising requirements. An advertisement
9 for a hemp cannabinoid product, hemp extract retailer, hemp
10 concentrate retailer, hemp extract infuser, hemp concentrate
11 infuser, or hemp processor may not:

12 (1) include any false or misleading statements,
13 images, or other content, including, but not limited to,
14 any health claims;

15 (2) contain claims that hemp consumption or a hemp
16 cannabinoid product can or is intended to diagnose, cure,
17 mitigate, treat, or prevent disease;

18 (3) lead a reasonable consumer to believe that a hemp
19 cannabinoid product is cannabis or medical cannabis,
20 including any product that exceeds the THC limits
21 established under this Act for lawful hemp cannabinoid
22 products, or that a licensee is authorized to sell or
23 dispense cannabis or medical cannabis; or

24 (4) have the purpose or effect of targeting or being
25 attractive to individuals under 21 years of age. The use

1 of images of children or minors consuming hemp cannabinoid
2 products and the use of words, designs, or brands that
3 resemble products commonly associated with children,
4 minors, or marketed to children or minors, is prohibited.

5 Section 40-30. Lawful transport of industrial hemp, hemp,
6 and hemp materials.

7 (a) Nothing in this Act shall prohibit or interfere with
8 the lawful transport of industrial hemp, hemp materials, or
9 hemp products as authorized by the U.S. Department of
10 Agriculture and the U.S. Food and Drug Administration and, in
11 compliance with other federal law, regulation, or rule,
12 through the State of Illinois for delivery to an out-of-state
13 destination.

14 (b) No person shall transport industrial hemp, hemp, or
15 hemp materials within the State unless the person is duly
16 authorized under federal law and regulation to transport hemp
17 and possesses a hemp manifest that includes the following
18 information:

- 19 (1) the name and address of the owner of the hemp;
- 20 (2) the point of origin;
- 21 (3) the point of delivery, including name and address;
- 22 (4) the kind and quantity of packages or, if in bulk,
23 the total quantity of hemp in the shipment; and
- 24 (5) the date of shipment.

1 Section 40-35. Penalties.

2 (a) Licensees under this Act shall comply with all
3 applicable laws, rules, and regulations as it relates to such
4 licensure.

5 (b) Failure to comply with a requirement of this Act or
6 rules adopted by the Department may be punishable by a civil
7 penalty, as follows:

8 (1) a fine of up to \$1,000 for a first violation;

9 (2) a fine up to \$5,000 for a second violation within 3
10 years; or

11 (3) a fine of up to \$10,000 for a third violation and
12 each subsequent violation thereafter within a 3-year
13 period.

14 (c) If a licensee willfully violates or refuses or
15 neglects to comply with one or more provisions of this Act, the
16 Department may limit, suspend, revoke, or annul a license
17 after providing notice and an opportunity for a hearing to the
18 licensee. However, a license may be temporarily limited,
19 suspended, revoked, or annulled without a hearing for a period
20 not to exceed 30 days, upon notice to the licensee, following a
21 finding by the Department that the public health, safety, or
22 welfare is in imminent danger.

23 (d) A licensee who negligently violates this Act 3 times
24 in a 5-year period shall be ineligible to process or sell hemp
25 cannabinoid for a period of 5 years beginning on the date of
26 the third violation. The Department may reduce the suspension

1 for good cause shown.

2 Section 40-40. Administration and enforcement; rules;
3 emergency rules; inspections.

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

8 (b) The Department shall develop rules setting forth
9 labeling, packaging, and minimum testing requirements of hemp
10 cannabinoid products.

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

20 (d) The Department of Public Health, local health
21 departments, the Illinois State Police, local sheriff's
22 offices, municipal police departments, and the Department of
23 Revenue may inspect a business that manufactures, processes,
24 or offers for sale hemp cannabinoid products in the State if a
25 formal complaint is registered with the appropriate agency in

1 order to ensure compliance with this Act. The Department may
2 inspect any business that manufactures, processes, or offers
3 for sale hemp a cannabinoid product in the State to ensure
4 compliance with this Act. The Department may enter into
5 interagency agreements to regulate and enforce this Act and
6 any rules or guidance adopted or promulgated.

7 Section 40-45. Publishing information. The Department
8 shall make available to the public complaints about hemp
9 cannabinoid products in violation of this Act, information
10 regarding pending administrative hearings or court cases under
11 this Act, or information regarding disciplinary actions taken
12 against a hemp extract retailer, hemp concentrate retailer,
13 hemp extract infuser, hemp concentrate infuser, or hemp
14 processor.

15 Section 40-50. Temporary restraining order or injunction.
16 The Director, through the Attorney General or any unit of
17 local government, may file a complaint and apply to the
18 circuit court for, and the court upon hearing and for cause
19 shown may grant, a temporary restraining order or a
20 preliminary or permanent injunction restraining any person
21 from violating this Act.

22 Section 40-55. Preparation of hemp concentrate derived
23 products.

1 (a) The Department may regulate the production of hemp
2 concentrate derived products by an Illinois-registered adult
3 use craft grower that meets the requirements of a Social
4 Equity Applicant, an infuser organization that meets the
5 requirements of a Social Equity Applicant, a dispensary that
6 meets the requirements of a Social Equity Applicant, a hemp
7 concentrate infuser, or a hemp concentrate retailer and
8 establish rules related to refrigeration, hot-holding, and
9 handling of hemp concentrate derived products. Hemp
10 concentrate derived products shall meet the packaging and
11 labeling requirements contained in Section 40-65.

12 (b) Hemp concentrate derived products for sale or
13 distribution at an Illinois-registered hemp retailer that
14 meets the requirements of a Social Equity Applicant or a hemp
15 concentrate retailer must be prepared by an approved agent of
16 an Illinois-registered adult use craft grower that meets the
17 requirements of a Social Equity Applicant, an infuser
18 organization that meets the requirements of a Social Equity
19 Applicant, or a hemp concentrate infuser.

20 (c) An Illinois-registered adult use craft grower that
21 meets the requirements of a Social Equity Applicant, an
22 infuser organization that meets the requirements of a Social
23 Equity Applicant, a hemp concentrate infuser that prepares
24 hemp concentrate derived products for sale or distribution by
25 an Illinois-registered hemp retailer that meets the
26 requirements of a Social Equity Applicant, or a hemp

1 concentrate retailer shall be under the operational
2 supervision of a Department of Public Health certified food
3 service sanitation manager.

4 (d) An Illinois-registered hemp retailer that meets the
5 requirements of a Social Equity Applicant or a hemp
6 concentrate retailer may not manufacture, process, or produce
7 hemp concentrate derived products.

8 (e) The Department of Public Health shall adopt and
9 enforce rules for the manufacture and processing of hemp
10 concentrate derived products, and, for that purpose, it may at
11 all times enter every building, room, basement, enclosure, or
12 premises occupied or used, or suspected of being occupied or
13 used, for the production, preparation, manufacture for sale,
14 storage, sale, processing, distribution, or transportation of
15 hemp concentrate derived products and inspect the premises
16 together with all utensils, fixtures, furniture, and machinery
17 used for the preparation of these products.

18 (f) The Department shall, by rule, establish a maximum
19 level of THC that may be contained in each serving of a hemp
20 concentrate derived product and within the product package.

21 (g) If a local public health agency has a reasonable
22 belief that a hemp concentrate derived product poses a public
23 health hazard, it may refer the Illinois-registered adult use
24 craft grower that meets the requirements of a Social Equity
25 Applicant, an infuser organization that meets the requirements
26 of a Social Equity Applicant, or a hemp concentrate infuser

1 that manufactured or processed the hemp concentrate derived
2 product to the Department of Public Health. If the Department
3 of Public Health finds that a hemp concentrate derived product
4 poses a health hazard, it may bring an action for immediate
5 injunctive relief to require that action be taken as the court
6 deems necessary to meet the hazard of the cultivation facility
7 or seek other relief as provided by rule.

8 Section 40-60. Destruction of hemp concentrate derived
9 product, hemp concentrate, and intermediate hemp products.

10 (a) Any hemp concentrate derived product, hemp
11 concentrate, and intermediate hemp product and scrap not
12 intended for distribution must be destroyed and disposed of
13 under rules adopted by the Department of Agriculture under
14 this Act. Documentation of destruction and disposal shall be
15 retained at the Illinois-registered adult use craft grower
16 that meets the requirements of a Social Equity Applicant,
17 infuser organization that meets the requirements of a Social
18 Equity Applicant, hemp concentrate infuser, or testing
19 facility as applicable for a period of not less than 5 years.

20 (b) An Illinois-registered adult use craft grower that
21 meets the requirements of a Social Equity Applicant, an
22 infuser organization that meets the requirements of a Social
23 Equity Applicant, or a hemp concentrate infuser shall, before
24 destruction, notify the Department and the Illinois State
25 Police. An Illinois-registered hemp retailer that meets the

1 requirements of a Social Equity Applicant or a hemp
2 concentrate retailer shall, before destruction, notify the
3 Department of Financial and Professional Regulation and the
4 Illinois State Police. The Department may, by rule, require
5 that an employee of the Department or the Department of
6 Financial and Professional Regulation be present during the
7 destruction of any hemp concentrate derived product, hemp
8 concentrate or intermediate hemp product, scrap, and harvested
9 cannabis, as applicable.

10 (c) An Illinois-registered adult use craft grower that
11 meets the requirements of a Social Equity Applicant, infuser
12 organization that meets the requirements of a Social Equity
13 Applicant, Illinois-registered hemp retailer that meets the
14 requirements of a Social Equity Applicant, hemp concentrate
15 infuser, or hemp concentrate retailer shall keep a record of
16 the date of destruction and how much was destroyed.

17 (d) An Illinois-registered hemp retailer that meets the
18 requirement of a Social Equity Applicant or a hemp concentrate
19 retailer shall destroy all hemp concentrate derived products
20 not sold to purchasers. Documentation of destruction and
21 disposal shall be retained at the Illinois-registered hemp
22 retailer that meets the requirement of a Social Equity
23 Applicant or a hemp concentrate retailer for a period of not
24 less than 5 years.

25 Section 40-65. Hemp concentrate derived product packaging

1 and labeling.

2 (a) Each hemp concentrate derived product produced for
3 sale shall be registered with the Department on forms provided
4 by the Department. Each product registration shall include a
5 label and the required registration fee at the rate
6 established by the Department for a comparable medical
7 cannabis or cannabis product, or as established by rule. The
8 registration fee is for the name of the product offered for
9 sale and one fee shall be sufficient for all package sizes.

10 (b) All hemp concentrate or intermediate hemp product
11 intended for distribution to a cannabis or hemp business
12 establishment must be packaged in a sealed, labeled container.

13 (c) A product containing hemp concentrate shall be sold in
14 a sealed, odor-proof, and child-resistant hemp concentrate
15 derived product container consistent with current standards,
16 including the Consumer Product Safety Commission standards
17 referenced by the Poison Prevention Act unless the sale is
18 between cannabis or hemp business establishments.

19 (d) Hemp concentrate derived product shall be individually
20 wrapped or packaged at the original point of preparation. The
21 packaging of the hemp concentrate derived product shall
22 conform to the labeling requirements of the Illinois Food,
23 Drug and Cosmetic Act in addition to the other requirements
24 set forth in this Section.

25 (e) Hemp concentrate derived product shall be labeled
26 before sale and each label shall be securely affixed to the

1 package and shall state the following in legible English and
2 any other language required by the Department:

3 (1) The name and address where the item was
4 manufactured by the Illinois-registered adult use craft
5 grower that meets the requirements of a Social Equity
6 Applicant, infuser organization that meets the
7 requirements of a Social Equity Applicant, or hemp
8 concentrate infuser.

9 (2) The common or usual name of the item and the
10 registered name of the hemp concentrate derived product
11 that was registered with the Department under subsection
12 (a).

13 (3) A unique serial number that shall match the
14 product with a craft grower that meets the requirements of
15 a Social Equity Applicant, an infuser organization that
16 meets the requirements of a Social Equity Applicant, or a
17 hemp concentrate infuser and a batch and lot number to
18 facilitate any warnings or recalls by the Department, a
19 craft grower that meets the requirements of a Social
20 Equity Applicant, an infuser organization that meets the
21 requirements of a Social Equity Applicant, or a hemp
22 concentrate infuser.

23 (4) The date of final testing and packaging, if
24 sampled, and the identification of the independent testing
25 laboratory.

26 (5) The date the hemp was harvested and "use by" date.

1 (6) The quantity, in ounces or grams, of hems
2 concentrate or intermediate hemp product contained in the
3 product;

4 (7) A pass or fail rating based on the laboratory's
5 microbiological, mycotoxins, and pesticide and solvent
6 residue analyses, if sampled.

7 (8) A list of the following, including the minimum and
8 maximum percentage content by weight for the following:

9 (A) delta-9-tetrahydrocannabinol;

10 (B) delta-8- tetrahydrocannabinol;

11 (C) tetrahydrocannabinolic acid;

12 (D) cannabidiol (CBD);

13 (E) cannabidiolic acid (CBDA);

14 (F) all other ingredients of the item, including
15 any colors, artificial flavors, and preservatives,
16 listed in descending order by predominance of weight
17 shown with common or usual names.

18 The acceptable tolerances for the minimum percentage
19 printed on the label for any of subparagraphs (A) through
20 (D) of paragraph (8) may not be below 85% or above 115% of
21 the labeled amount.

22 (f) Packaging may not contain information that:

23 (1) is false or misleading;

24 (2) promotes excessive consumption;

25 (3) depicts a person under 21 years of age consuming
26 cannabis or hemp concentrate derived products;

1 (4) includes the image of a cannabis leaf or hemp
2 leaf;

3 (5) includes any image designed or likely to appeal to
4 minors, including cartoons, toys, animals, or children, or
5 any other likeness to images, characters, or phrases that
6 are popularly used to advertise to children, or any
7 packaging or labeling that bears reasonable resemblance to
8 any product available for consumption as a commercially
9 available candy or that promotes consumption of cannabis
10 or hemp concentrate derived products; and

11 (6) contains any seal, flag, crest, coat of arms, or
12 other insignia likely to mislead the purchaser to believe
13 that the product has been endorsed, made, or used by the
14 State or any of its representatives, except when
15 authorized by this Act.

16 (g) Hemp concentrate derived products produced by
17 concentrating or extracting ingredients from the industrial
18 hemp plant shall contain the following information, when
19 applicable:

20 (1) if solvents were used to create the concentrate or
21 extract, a statement that discloses the type of extraction
22 method, including any solvents or gases used to create the
23 concentrate or extract; and

24 (2) any other chemicals or compounds used to produce
25 or that were added to the concentrate or extract.

26 (h) All hemp concentrate derived products must contain

1 warning statements established for purchasers of a size that
2 is legible and readily visible to a consumer inspecting a
3 package. The warning statements may not be covered or obscured
4 in any way. The Department of Public Health shall define and
5 update appropriate health warnings for packages including
6 specific labeling or warning requirements for specific hemp
7 concentrate derived products.

8 (i) Unless modified by rule to strengthen or respond to
9 new evidence and science, the following warnings shall apply
10 to all hemp concentrate derived products: "This product
11 contains hemp concentrate or intermediate hemp product and is
12 intended for use by adults 21 and over. Its use can impair
13 cognition and may be habit forming. This product should not be
14 used by pregnant or breastfeeding women. It is unlawful to
15 sell or give this item to any individual. It is illegal to
16 operate a motor vehicle while under the influence of hemp
17 concentrate or intermediate hemp product. Possession or use of
18 this product may carry significant legal penalties in some
19 jurisdictions."

20 (j) Warnings for each of the following product types must
21 be present on labels when offered for sale to a purchaser:

22 (1) Hemp concentrate derived products that may be
23 smoked must contain a statement that "Smoking is hazardous
24 to your health."

25 (2) Hemp concentrate derived products, other than
26 those intended for topical application, must contain a

1 statement "CAUTION: This product contains hemp concentrate
2 or intermediate hemp product, and intoxication following
3 use may be delayed 2 or more hours. This product was
4 produced in a facility that may also process common food
5 allergens."

6 (3) Hemp concentrate derived products intended for
7 topical application must contain a statement "DO NOT EAT"
8 in bold, capital letters.

9 (k) Each hemp concentrate derived products intended for
10 consumption must be individually packaged, must include the
11 total milligram content of THC and CBD, and may not (i) include
12 more than a total of 100 milligrams of THC per package if
13 packaged by an Illinois-registered adult use craft grower that
14 meets the requirement of a Social Equity Applicant or an
15 infuser that meets the requirement of a Social Equity
16 Applicant and (ii) contain more than 50 milligrams of THC per
17 package if packaged by a hemp infuser. A package may contain
18 multiple servings of (A) 10 milligrams of THC if packaged by an
19 Illinois-registered adult use craft grower that meets the
20 requirement of a Social Equity Applicant or an infuser that
21 meets the requirement of a Social Equity Applicant or (B) 5
22 milligrams of THC if packaged by a hemp concentrate infuser,
23 each indicated by scoring, wrapping, or by other indicators
24 designating individual serving sizes. The Department may
25 change the total amount of THC allowed for each package, or the
26 total amount of THC allowed for each serving size, by rule.

1 (1) An individual other than the purchaser may not alter
2 or destroy labeling affixed to the primary packaging of hemp
3 concentrate derived products.

4 (m) For each commercial weighing and measuring device used
5 at a facility, the cannabis or hemp business establishment
6 must:

7 (1) ensure that the commercial device is licensed
8 under the Weights and Measures Act and the associated
9 administrative rules;

10 (2) maintain documentation of the licensure of the
11 commercial device; and

12 (3) provide a copy of the license of the commercial
13 device to the Department for review upon request.

14 (n) It is the responsibility of the Department to ensure
15 that packaging and labeling requirements, including product
16 warnings, are enforced at all times for products provided to
17 purchasers. Product registration requirements and container
18 requirements may be modified by rule by the Department.

19 (o) Any labeling under this Section, including warning
20 labels and the specific wording of the labels, may be modified
21 by rule by the Department.

22 Section 40-70. Local ordinances. Unless otherwise provided
23 under this Act or otherwise in accordance with State law:

24 (1) A municipality or county, including a county
25 within the unincorporated territory of the county, may

1 enact reasonable zoning ordinances or resolutions, not in
2 conflict with this Act or rules adopted pursuant to this
3 Act, regulating hemp business establishments. The
4 municipality or county may not prohibit home cultivation
5 of hemp or unreasonably prohibit use of hemp authorized by
6 this Act.

7 (2) The municipality or county may enact ordinances
8 not in conflict with this Act or with rules adopted
9 pursuant to this Act governing the time, place, manner,
10 and number of hemp business establishment operations,
11 including minimum distance limitations between hemp
12 business establishments and locations it deems sensitive,
13 including colleges and universities, through the use of
14 conditional use permits. The municipality or county may
15 establish civil penalties for violation of an ordinance
16 governing the time, place, and manner of operation of a
17 hemp business establishment or a conditional use permit in
18 the jurisdiction of the municipality or county. The
19 municipality or county may not unreasonably restrict the
20 time, place, manner, and number of hemp business
21 establishment operations authorized by this Act.

22 (3) The municipality or county may authorize or permit
23 the on-premises consumption of hemp concentrate derived
24 products at or in a hemp retailer that meets the
25 requirements of a Social Equity Applicant, hemp
26 concentrate retailer, or retail tobacco store, as defined

1 under Section 10 of the Smoke Free Illinois Act, within
2 its jurisdiction in a manner consistent with this Act. A
3 hemp retailer that meets the requirements of a Social
4 Equity Applicant, hemp concentrate retailer, or retail
5 tobacco store authorized or permitted by the municipality
6 or county to allow on-site consumption shall not be deemed
7 a public place within the meaning of the Smoke Free
8 Illinois Act.

9 (4) A home rule unit may not regulate the activities
10 described in paragraph (1), (2), or (3) in a manner more
11 restrictive than the regulation of those activities by the
12 State under this Act. Paragraphs (1), (2), and (3) are a
13 limitation under subsection (i) of Section 6 of Article
14 VII of the Illinois Constitution on the concurrent
15 exercise by home rule units of powers and functions
16 exercised by the State.

17 (5) The municipality or county may enact ordinances to
18 prohibit or significantly limit a hemp business
19 establishment's location.

20 Section 40-75. Confidentiality.

21 (a) Information provided by the hemp business
22 establishment licensees or applicants to the Department, the
23 Department of Public Health, the Department of Financial and
24 Professional Regulation, or other agency shall be limited to
25 information necessary for the purposes of administering this

1 Act. The information provided is subject to the provisions and
2 limitations contained in the Freedom of Information Act and
3 may be disclosed in accordance with this Act.

4 (b) The following information received and records kept by
5 the Department, the Department of Public Health, the Illinois
6 State Police, and the Department of Financial and Professional
7 Regulation for purposes of administering this Article are
8 subject to all applicable federal privacy laws, are
9 confidential and exempt from disclosure under the Freedom of
10 Information Act, except as provided in this Act, and not
11 subject to disclosure to any individual or public or private
12 entity, except to the Department of Financial and Professional
13 Regulation, the Department, the Department of Public Health,
14 and the Illinois State Police as necessary to perform official
15 duties under this Article and to the Attorney General as
16 necessary to enforce the provisions of this Act. The following
17 information received and kept by the Department of Financial
18 and Professional Regulation or the Department may be disclosed
19 to the Department of Public Health, the Department, the
20 Department of Revenue, the Illinois State Police, or the
21 Attorney General upon request:

22 (1) Applications and renewals, their contents, and
23 supporting information submitted by or on behalf of a hemp
24 business establishment, in compliance with this Article,
25 including their physical addresses; however, this does not
26 preclude the release of ownership information about hemp

1 business establishment licenses, or information submitted
2 with an application required to be disclosed pursuant to
3 subsection (f).

4 (2) Any plans, procedures, policies, or other records
5 relating to hemp business establishment security.

6 (3) Information otherwise exempt from disclosure by
7 State or federal law, including State or national criminal
8 history record information or the nonexistence or lack of
9 such information, may not be disclosed by the Department
10 of Financial and Professional Regulation or the
11 Department, except as necessary to the Attorney General to
12 enforce this Act.

13 (c) The name and address of a hemp concentrate retailer
14 licensed under this Act shall be subject to disclosure under
15 the Freedom of Information Act. The name and hemp business
16 establishment address of the person or entity holding each
17 cannabis business establishment license shall be subject to
18 disclosure.

19 (d) All information collected by the Department of
20 Financial and Professional Regulation or the Department in the
21 course of an examination, inspection, or investigation of a
22 licensee or applicant, including, but not limited to, a
23 complaint against a licensee or applicant filed with the
24 Department of Financial and Professional Regulation or the
25 Department and information collected to investigate the
26 complaint, shall be maintained for the confidential use of the

1 Department of Financial and Professional Regulation or the
2 Department and may not be disclosed, except as otherwise
3 provided in this Act. A formal complaint against a licensee by
4 the Department of Financial and Professional Regulation or the
5 Department or any disciplinary order issued by the Department
6 of Financial and Professional Regulation or the Department
7 against a licensee or applicant shall be a public record,
8 except as otherwise provided by law. Complaints from consumers
9 or members of the general public received regarding a
10 specific, named licensee or complaints regarding conduct by
11 unlicensed entities shall be subject to disclosure under the
12 Freedom of Information Act.

13 (e) The Department, the Illinois State Police, and the
14 Department of Financial and Professional Regulation may not
15 share or disclose any State or national criminal history
16 record information, or the nonexistence or lack of such
17 information, to any person or entity not expressly authorized
18 by this Act.

19 (f) The Department and the Department of Financial and
20 Professional Regulation shall publish on each Department
21 website a list of the ownership information of cannabis
22 business establishment licensees under each Department's
23 jurisdiction. The list shall include, but is not limited to:
24 the name of the person or entity holding each hemp business
25 establishment license; and the address at which the entity is
26 operating under this Act. This list shall be published and

1 updated monthly.

2 Section 40-80. Suspension or revocation of a license.

3 (a) The Department of Financial and Professional
4 Regulation or the Department may suspend or revoke a license
5 for a violation of this Act or a rule adopted in accordance
6 with this Act by the Department and the Department of
7 Financial and Professional Regulation.

8 (b) The Department and the Department of Financial and
9 Professional Regulation may suspend or revoke an agent
10 identification card for a violation of this Act or a rule
11 adopted in accordance with this Act.

12 Section 40-85. Contracts enforceable. It is the public
13 policy of this State that contracts related to the operation
14 of a lawful hemp business establishment under this Act are
15 enforceable. It is the public policy of this State that no
16 contract entered into by a lawful hemp business establishment
17 or its agents on behalf of a hemp business establishment, or by
18 those who allow property to be used by a hemp business
19 establishment, shall be unenforceable on the basis that
20 cultivating, obtaining, manufacturing, processing,
21 distributing, dispensing, transporting, selling, possessing,
22 or using cannabis or hemp is prohibited by federal law.

23 Section 40-90. Annual reports.

1 (a) The Department of Financial and Professional
2 Regulation shall submit to the General Assembly and Governor a
3 report, by September 30 of each year, that does not disclose
4 any information identifying information about hemp business
5 establishments but does contain, at a minimum, all of the
6 following information for the previous fiscal year:

7 (1) The number of licenses issued to hemp concentrate
8 retailers by county, or, in counties with greater than
9 3,000,000 residents, by zip code.

10 (2) The total number of hemp concentrate retailers
11 that are minority persons, women, or persons with
12 disabilities, as those terms are defined in the Business
13 Enterprise for Minorities, Women, and Persons with
14 Disabilities Act.

15 (3) The total amount of revenues received from hemp
16 concentrate retailers or hemp retailers that meet the
17 requirements of a Social Equity Applicant, segregated from
18 revenues received from hemp retailers under the Cannabis
19 Regulation and Tax Act or Compassionate Use of Medical
20 Cannabis Program Act by county, separated by source of
21 revenue.

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

25 (b) The Department shall submit to the General Assembly
26 and Governor a report, by September 30 of each year, that does

1 not disclose any information identifying information about
2 hemp business establishment but does contain, at a minimum,
3 all of the following information for the previous fiscal year:

4 (1) The number of licenses issued to hemp processors,
5 hemp concentrate infusers, and hemp distributors by
6 license type, and, in counties with more than 3,000,000
7 residents, by zip code.

8 (2) The total number of hemp processors, hemp
9 concentrate infusers, and hemp distributors by license
10 type minority persons, women, or persons with
11 disabilities, as those terms are defined in the Business
12 Enterprise for Minorities, Women, and Persons with
13 Disabilities Act.

14 (3) The total amount of revenue received from hemp
15 processors, hemp concentrate infusers, and hemp
16 distributors separated by license types and source of
17 revenue.

18 (4) The total amount of revenue received from craft
19 growers and infusers that share a premises or majority
20 ownership with a hemp retailer.

21 (5) The total amount of revenue received from
22 Illinois-registered adult use craft growers that meet the
23 requirements of a Social Equity Applicant and infusers
24 that meet the requirements of a Social Equity Applicant,
25 segregated from revenues received from hemp retailers
26 under the Cannabis Regulation and Tax Act or Compassionate

1 Use of Medical Cannabis Program Act by county, separated
2 by source of revenue.

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

6 (c) The Illinois State Police shall submit to the General
7 Assembly and Governor a report, by September 30 of each year
8 that contains, at a minimum, all of the following information
9 for the previous fiscal year:

10 (1) The effect of regulation and taxation of hemp
11 concentrate derived products on law enforcement resources.

12 (2) The impact of regulation and taxation of hemp
13 concentrate derived products on highway and waterway
14 safety and rates of impaired driving or operating when
15 impairment was determined based on failure of a field
16 sobriety test.

17 (3) The available and emerging methods for detecting
18 the metabolites for delta-9-tetrahydrocannabinol or
19 delta-8-tetrahydrocannabinol in bodily fluids, including,
20 without limitation, blood and saliva.

21 (4) The effectiveness of current laws regarding
22 driving while intoxicated and recommendations for
23 improvements to policy to better ensure safe highways and
24 fair laws.

25 (d) The Adult Use Cannabis Health Advisory Committee shall
26 submit to the General Assembly and Governor a report, by

1 September 30 of each year, that does not disclose any
2 identifying information about any individuals but does
3 contain, at a minimum:

4 (1) Self-reported youth hemp concentrate derived
5 product use, as published in the most recent Illinois
6 Youth Survey available.

7 (2) Self-reported adult hemp concentrate derived
8 product use, as published in the most recent Behavioral
9 Risk Factor Surveillance Survey available.

10 (3) Hospital room admissions and hospital utilization
11 rates caused by hemp concentrate derived product
12 consumption, including the presence or detection of other
13 drugs.

14 (4) Overdoses of hemp concentrate derived product and
15 poison control data, including the presence of other drugs
16 that may have contributed.

17 (5) Incidents of impaired driving caused by the
18 consumption of hemp concentrate derived products,
19 including the presence of other drugs or alcohol that may
20 have contributed to the impaired driving.

21 (6) Prevalence of infants born testing positive for
22 delta-9-tetrahydrocannabinol or
23 delta-9-tetrahydrocannabinol, including demographic and
24 racial information on which infants are tested.

25 (7) Public perceptions of use and risk of harm.

26 (8) Revenue collected from hemp concentrate derived

1 products taxation and how that revenue was used.

2 (9) Cannabis and hemp concentrate retail licenses
3 granted and locations.

4 (10) Hemp concentrate derived product-related arrests.

5 (11) The number of individuals completing required bud
6 tender training.

7 (e) Each agency or committee submitting reports under this
8 Section may consult with one another in the preparation of
9 each report.

10 Section 40-95. Potency level. Nothing in this Act shall
11 prohibit hemp concentrate or intermediate hemp product that is
12 sold, offered for sale, or otherwise transferred from a
13 cannabis or hemp business establishment to another cannabis or
14 hemp business establishment from having a potency level above
15 the potency requirements set forth in this Act.

16 Section 40-100. Home rule. Except as otherwise allowed in
17 this Act, the regulation and licensing of the activities
18 described in this Act are exclusive powers and functions of
19 the State. Except as otherwise allowed in this Act, a unit of
20 local government, including a home rule unit, may not regulate
21 or license the activities described in this Act. This Section
22 is a denial and limitation of home rule powers and functions
23 under subsection (h) of Section 6 of Article VII of the
24 Illinois Constitution.

1 Section 40-105. Conflict of interest. A person is
2 ineligible to apply for, hold, or own financial or voting
3 interest, other than a passive interest in a publicly traded
4 company, in a cannabis or hemp business license under this Act
5 if, within a 2-year period after the effective date of this
6 Act, the person or the person's spouse or immediate family
7 member was a member of the General Assembly or a State employee
8 at an agency that regulates cannabis or hemp business
9 establishment license holders who participated personally and
10 substantially in the award of licenses under this Act. A
11 person who violates this Section shall be guilty under
12 subsection (b) of Section 50-5 of the State Officials and
13 Employees Ethics Act.

14 Article 45.

15 Personal Use of Hemp Cannabinoid Products

16 Section 45-5. Possession limit.

17 (a) For a person who is 21 years of age or older and a
18 resident of this State, the possession limit is as follows:

19 (1) 30 grams of hemp concentrate derived product in
20 the form of flower; or

21 (2) no more than 500 milligrams of THC contained in a
22 hemp concentrate derived products, 500 milligrams of THC
23 contained in cannabis-infused products, or 500 milligrams

1 of THC contained in both hemp concentrate derived products
2 and cannabis-infused products.

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

6 (1) 15 grams of hemp concentrate derived product in
7 the form of flower; or

8 (2) no more than 250 milligrams of THC contained in a
9 hemp concentrate derived products, 250 milligrams of THC
10 contained in cannabis-infused products, or 250 milligrams
11 of THC contained in both hemp concentrate derived products
12 and cannabis-infused products.

13 A person may not possess hemp concentrate or intermediate
14 hemp products without being a licensed hemp business
15 establishment.

16 (c) The possession limits under subsections (a) and (b)
17 are cumulative. The possession limits under subsections (a)
18 and (b) and the possession limits found in subsection (a) and
19 (b) of Section 10-10 in the Cannabis Regulation and Tax Act are
20 cumulative.

21 (d) A person shall not knowingly obtain, seek to obtain,
22 or possess an amount of cannabis or hemp concentrate derived
23 products or both from a hemp retailer, craft grower, or a hemp
24 concentrate retailer that would cause the person to exceed the
25 possession limit under this Section or the possession limits
26 under the Cannabis Regulation and Tax Act or the Compassionate

1 Use of Medical Cannabis Act.

2 Section 45-10. Age limit.

3 (a) Nothing in this Act permits the transfer of hemp
4 concentrate product, with or without remuneration, to a person
5 under 21 years of age or allows a person under 21 years of age
6 to purchase, possess, use, process, transport, or consume hemp
7 concentrate derived product.

8 (b) A person under 21 years of age with hemp concentrate
9 derived products in the person's possession is liable under
10 subsection (a) of Section 4 of the Cannabis Control Act.

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

16 (d) It is unlawful for any parent or guardian to knowingly
17 permit the parent's or guardian's residence, any other private
18 property under the parent's or guardian's control, or any
19 vehicle, conveyance, or watercraft under the parent's or
20 guardian's control, to be used by an invitee under the age of
21 21 who is an invitee of the parent's child or the guardian's
22 ward in a manner that constitutes a violation of this Section.
23 A parent or guardian is deemed to have knowingly permitted the
24 parent's or guardian's residence, any other private property
25 under the parent's or guardian's control, or any vehicle,

1 conveyance, or watercraft under the parent's or guardian's
2 control to be used in violation of this Section if the parent
3 or guardian knowingly authorizes or permits consumption of
4 hemp concentrate derived product by underage invitees. Any
5 person who violates this subsection is guilty of a Class A
6 misdemeanor and the person's sentence shall include, but shall
7 not be limited to, a fine of not less than \$500. If a violation
8 of this subsection directly or indirectly results in great
9 bodily harm or death to any person, the person violating this
10 subsection is guilty of a Class 4 felony. In this subsection,
11 where the residence or other property has an owner and a tenant
12 or lessee, the trier of fact may infer that the residence or
13 other property is occupied only by the tenant or lessee.

14 Section 45-15. Identification; false identification;
15 penalty.

16 (a) To protect personal privacy, the Department may not
17 require a purchaser to provide a hemp concentrate retailer or
18 hemp retailer that meets the qualifications of a Social Equity
19 Applicant with personal information other than
20 government-issued identification to determine the purchaser's
21 age, and a hemp concentrate retailer or hemp retailer that
22 meets the qualifications of a Social Equity Applicant may not
23 obtain and record personal information about a purchaser
24 without the purchaser's consent. A hemp concentrate retailer
25 or hemp retailer that meets the qualifications of a Social

1 Equity Applicant shall use an electronic reader or electronic
2 scanning device to scan a purchaser's government-issued
3 identification, if applicable, to determine the purchaser's
4 age and the validity of the identification. Any identifying or
5 personal information of a purchaser obtained or received in
6 accordance with this Section shall not be retained, used,
7 shared or disclosed for any purpose except as authorized by
8 this Act.

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

14 (1) purchasing, attempting to purchase, or otherwise
15 obtaining or attempting to obtain hemp concentrate derived
16 products; or

17 (2) gaining access to a hemp business establishment.

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

21 (d) The Secretary of State may suspend or revoke the
22 driving privileges of any person for a violation of this
23 Section under Section 6-206 of the Illinois Vehicle Code and
24 the rules adopted under it.

25 (e) An agent or employee of the licensee may not be
26 disciplined or discharged for selling or furnishing hemp

1 concentrate derived products to a person under 21 years of age
2 if the agent or employee demanded and was shown, before
3 furnishing hemp concentrate derived products to a person under
4 21 years of age, adequate written evidence of age and identity
5 of the person. This subsection does not apply if the agent or
6 employee accepted the written evidence knowing it to be false
7 or fraudulent. Adequate written evidence of age and identity
8 of the person is a document issued by a federal, State, county,
9 or municipal government, or subdivision or agency thereof,
10 including, but not limited to, a motor vehicle operator's
11 license, a registration certificate issued under the Military
12 Selective Service Act, or an identification card issued to a
13 member of the Armed Forces. Proof that the licensee or his or
14 her employee or agent was shown and reasonably relied upon
15 such written evidence in any transaction forbidden by this
16 Section is an affirmative defense in any criminal prosecution
17 therefor or to any proceedings for the suspension or
18 revocation of any license based thereon.

19 Section 45-20. Immunities and presumptions related to the
20 use of hemp concentrate derived products by purchasers.

21 (a) A purchaser who is 21 years of age or older is not
22 subject to arrest, prosecution, denial of any right or
23 privilege, or other punishment, including, but not limited to,
24 a civil penalty or disciplinary action taken by an
25 occupational or professional licensing board, based solely on

1 the use of hemp concentrate derived products if (i) the
2 purchaser possesses an amount of hemp concentrate derived
3 products or cannabis that does not exceed the possession limit
4 under Section 45-5 and if the purchaser is licensed,
5 certified, or registered to practice any trade or profession
6 under any Act and (ii) the use of hemp concentrate derived
7 products does not impair that person when he or she is engaged
8 in the practice of the profession for which he or she is
9 licensed, certified, or registered.

10 (b) A purchaser 21 years of age or older is not subject to
11 arrest, prosecution, denial of any right or privilege, or
12 other punishment, including, but not limited to, a civil
13 penalty or disciplinary action taken by an occupational or
14 professional licensing board, based solely for (i) selling
15 hemp cannabinoid paraphernalia if employed and licensed as a
16 hemp concentrate retail agent or dispensing agent by a hemp
17 concentrate retailer or hemp retailer that meets the
18 qualifications of a Social Equity Applicant, (ii) being in the
19 presence or vicinity of the use of hemp concentrate derived
20 product or hemp concentrate derived product paraphernalia as
21 allowed under this Act, or (iii) possessing hemp concentrate
22 derived product paraphernalia.

23 (c) Mere possession of, or application for, an agent
24 identification card or license does not constitute probable
25 cause or reasonable suspicion to believe that a crime has been
26 committed, nor shall it be used as the sole basis to support

1 the search of the person, property, or home of the person
2 possessing or applying for the agent identification card. The
3 possession of, or application for, an agent identification
4 card does not preclude the existence of probable cause if
5 probable cause exists based on other grounds.

6 (d) A person employed by the State is not subject to
7 criminal or civil penalties for taking any action in good
8 faith in reliance on this Act when acting within the scope of
9 the person's employment. Representation and indemnification
10 shall be provided to State employees as set forth in Section 2
11 of the State Employee Indemnification Act.

12 (e) A law enforcement or correctional agency, or a person
13 employed by a law enforcement or correctional agency, is not
14 subject to criminal or civil liability, except for willful and
15 wanton misconduct, as a result of taking any action within the
16 scope of the official duties of the agency or person to
17 prohibit or prevent the possession or use of hemp concentrate
18 derived product by a person incarcerated at a correctional
19 facility, jail, or municipal lockup facility, on parole or
20 mandatory supervised release, or otherwise under the lawful
21 jurisdiction of the agency or person.

22 (f) For purposes of receiving medical care, including
23 organ transplants, a person's use of hemp concentrate product
24 under this Act does not constitute the use of an illicit
25 substance or otherwise disqualify a person from medical care.

1 Section 45-25. Discrimination prohibited.

2 (a) The presence of cannabinoid components or metabolites
3 in a person's bodily fluids, possession of hemp concentrate
4 derived product-related paraphernalia, or conduct related to
5 the use of hemp concentrate derived product or the
6 participation in hemp concentrate derived product-related
7 activities lawful under this Act by a custodial or
8 noncustodial parent, grandparent, legal guardian, foster
9 parent, or other person charged with the well-being of a child
10 may not form the sole or primary basis or supporting basis for
11 any action or proceeding by a child welfare agency or in a
12 family or juvenile court, an adverse finding, adverse
13 evidence, or a restriction of any right or privilege in a
14 proceeding related to adoption of a child, acting as a foster
15 parent of a child, or a person's fitness to adopt a child or
16 act as a foster parent of a child, or serve as the basis of any
17 adverse finding, adverse evidence, or restriction of any right
18 of privilege in a proceeding related to guardianship,
19 conservatorship, trusteeship, the execution of a will, or the
20 management of an estate unless the person's actions in
21 relation to hemp concentrate derived product created an
22 unreasonable danger to the safety of the minor or otherwise
23 show the person to not be competent as established by clear and
24 convincing evidence. This subsection applies only to conduct
25 protected under this Act.

26 (b) A landlord may not be penalized or denied any benefit

1 under State law for leasing to a person who uses hemp
2 concentrate derived product under this Act.

3 (c) Nothing in this Act may be construed to require a
4 person or establishment in lawful possession of property to
5 allow a guest, client, lessee, customer, or visitor to use
6 hemp concentrate derived product on or in that property,
7 including on any land owned in whole or in part or managed in
8 whole or in part by the State.

9 Section 45-30. Limitations and penalties.

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

13 (1) Undertaking any task under the influence of hemp
14 concentrate derived product when doing so would constitute
15 negligence, professional malpractice, or professional
16 misconduct.

17 (2) Possessing hemp concentrate derived product:

18 (A) in a school bus;

19 (B) on the grounds of any preschool or primary or
20 secondary school;

21 (C) in any correctional facility;

22 (D) in a vehicle not open to the public unless the
23 hemp concentrate derived product is in a reasonably
24 secured, sealed, or resealable container and
25 reasonably inaccessible while the vehicle is moving;

1 or

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

5 (3) Using hemp concentrate derived product:

6 (A) in a school bus;

7 (B) on the grounds of any preschool or primary or
8 secondary school;

9 (C) in any correctional facility;

10 (D) in any motor vehicle;

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

14 (F) in any public place; or

15 (G) knowingly in close physical proximity to
16 anyone under 21 years of age.

17 (4) Smoking hemp concentrate derived products in any
18 place where smoking is prohibited under the Smoke Free
19 Illinois Act.

20 (5) Operating, navigating, or being in actual physical
21 control of any motor vehicle, aircraft, watercraft, or
22 snowmobile while using or under the influence of cannabis
23 in violation of Section 11-501 or 11-502.1 of the Illinois
24 Vehicle Code, Section 5-16 of the Boat Registration and
25 Safety Act, or Section 5-7 of the Snowmobile Registration
26 and Safety Act.

1 (6) Facilitating the use of hemp concentrate derived
2 products by any person who is not allowed to use hemp
3 concentrate derived products under this Act.

4 (7) Transferring hemp concentrate derived products to
5 any person contrary to this Act.

6 (8) The use of hemp concentrate derived products by a
7 law enforcement officer, corrections officer, probation
8 officer, or firefighter while on duty. Nothing in this Act
9 prevents a public employer of law enforcement officers,
10 corrections officers, probation officers, paramedics, or
11 firefighters from prohibiting or taking disciplinary
12 action for the consumption, possession, sales, purchase,
13 or delivery of hemp concentrate derived product substances
14 while on-duty or off-duty unless provided for in the
15 employer's policies. However, an employer may not take
16 adverse employment action against an employee based solely
17 on the lawful possession or consumption of hemp
18 concentrate derived products substances by members of the
19 employee's household.

20 (9) The use of hemp concentrate derived product by a
21 person who has a school bus permit or a Commercial
22 Driver's License while on duty.

23 As used in this subsection, "public place" means a place
24 where a person could reasonably be expected to be observed by
25 others. "Public place" includes all parts of buildings owned
26 or leased, in whole or in part, by the State or a unit of local

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

7 (b) Nothing in this Act shall be construed to prevent the
8 arrest or prosecution of a person for reckless driving or
9 driving under the influence of hemp concentrate derived
10 product, operating a watercraft under the influence of hemp
11 concentrate derived product, or operating a snowmobile under
12 the influence of hemp concentrate derived product if probable
13 cause exists.

14 (c) Nothing in this Act prevents a private business from
15 restricting or prohibiting the use of hemp concentrate derived
16 product on its property, including areas where motor vehicles
17 are parked.

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

23 (e) To the extent that this Section conflicts with any
24 applicable collective bargaining agreement, the provisions of
25 the collective bargaining agreement prevails. Nothing in this
26 Act shall be construed to limit in any way the right to

1 collectively bargain over the subject matters contained in
2 this Act.

3 Section 45-35. Employment; employer liability.

4 (a) Nothing in this Act prohibits an employer from
5 adopting reasonable zero-tolerance or drug-free workplace
6 policies or employment policies concerning drug testing,
7 smoking, consumption, storage, or use of hemp concentrate
8 derived products in the workplace or while on call if the
9 policy is applied in a nondiscriminatory manner.

10 (b) Nothing in this Act requires an employer to permit an
11 employee to be under the influence of or use hemp concentrate
12 derived product in the employer's workplace or while
13 performing the employee's job duties or while on call.

14 (c) Nothing in this Act limits or prevents an employer
15 from disciplining an employee or terminating employment of an
16 employee for violating an employer's employment policies or
17 workplace drug policy.

18 (d) An employer may consider an employee to be impaired or
19 under the influence of hemp concentrate derived product if the
20 employer has a good faith belief that an employee manifests
21 specific, articulable symptoms while working that decrease or
22 lessen the employee's performance of the duties or tasks of
23 the employee's job position, including symptoms of the
24 employee's speech, physical dexterity, agility, coordination,
25 demeanor, irrational or unusual behavior, or negligence or

1 carelessness in operating equipment or machinery; disregard
2 for the safety of the employee or others; involvement in any
3 accident that results in serious damage to equipment or
4 property; disruption of a production or manufacturing process;
5 or carelessness that results in any injury to the employee or
6 others. If an employer elects to discipline an employee on the
7 basis that the employee is under the influence or impaired by
8 hemp concentrate derived products, the employer must afford
9 the employee a reasonable opportunity to contest the basis of
10 the determination.

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

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

20 (2) actions based on the employer's good faith belief
21 that an employee used or possessed hemp concentrate
22 derived products while in the employer's workplace, while
23 performing the employee's job duties, or while on call in
24 violation of the employer's employment policies;

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

1 an employee was impaired as a result of the use of hemp
2 concentrate derived products or under the influence of
3 hemp concentrate derived products while at the employer's
4 workplace or while performing the employee's job duties or
5 while on call in violation of the employer's workplace
6 drug policy; or

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

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

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

20 (h) As used in this Section:

21 "Workplace" means the employer's premises, including
22 any building, real property, and parking area under the
23 control of the employer or area used by an employee while
24 in the performance of the employee's job duties and
25 vehicles, whether leased, rented, or owned, while being
26 used in the performance of the employee's duties for the

1 employer. "Workplace" may be further defined by the
2 employer's written employment policy if the policy is
3 consistent with this Section.

4 An employee is deemed "on call" when the employee is
5 scheduled with at least 24 hours' notice by the employer
6 to be on standby or otherwise responsible for performing
7 tasks related to the person's employment, either at the
8 employer's premises or other previously designated
9 location by the employee's employer or supervisor, to
10 perform a work-related task.

11 Article 50.

12 Intermediate Hemp Product Processing Tax

13 Section 50-5. Definitions. In this Article:

14 "Cannabis" has the meaning given to that term in Article 1
15 of this Act, except that it does not include cannabis that is
16 subject to tax under the Compassionate Use of Medical Cannabis
17 Program Act.

18 "Craft grower" has the meaning given to that term in the
19 Cannabis Regulation and Tax Act.

20 "Cultivation center" has the meaning given to that term in
21 the Cannabis Regulation and Tax Act.

22 "Department" means the Department of Revenue.

23 "Director" means the Director of Revenue.

24 "Dispensary" has the meaning given to that term in the

1 Cannabis Regulation and Tax Act.

2 "Gross receipts" from the sales of intermediate hemp
3 products by a processor means the total selling price or the
4 amount of such sales, as defined in this Article. In the case
5 of charges and time sales, the amount thereof shall be
6 included only when payments are received by the processor.

7 "Infuser" has the meaning given to that term in the
8 Cannabis Regulation and Tax Act.

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

14 "Processor" or "taxpayer" means a cultivation center,
15 craft grower, or hemp processor who is subject to tax under
16 this Article.

17 "Selling price" means the consideration for a sale valued
18 in money whether received in money or otherwise, including
19 cash, credits, property, and services, and shall be determined
20 without any deduction on account of the cost of the property
21 sold, the cost of materials used, labor or service cost, or any
22 other expense whatsoever, but does not include separately
23 stated charges identified on the invoice by cultivators to
24 reimburse themselves for their tax liability under this
25 Article.

1 Section 50-10. Tax imposed.

2 (a) Beginning September 1, 2024, a tax is imposed upon the
3 privilege of processing hemp products into intermediate hemp
4 products at the rate of 7% of the gross receipts from the first
5 sale of intermediate hemp products by a processor. The sale of
6 any product that contains any amount of intermediate hemp
7 product or any derivative thereof is subject to the tax under
8 this Section on the full selling price of the product. The
9 Department may determine the selling price of the intermediate
10 hemp product when the seller and purchaser are affiliated
11 persons, when the sale and purchase of intermediate hemp
12 products are not an arm's length transaction, or when
13 intermediate hemp products are transferred by a craft grower
14 to the craft grower's or infuser or processing organization
15 and a value is not established for the cannabis. The value
16 determined by the Department shall be commensurate with the
17 actual price received for products of like quality, character,
18 and use in the area. If there are no sales of intermediate hemp
19 products of like quality, character, and use in the same area,
20 then the Department shall establish a reasonable value based
21 on sales of products of like quality, character, and use in
22 other areas of the State, taking into consideration any other
23 relevant factors.

24 (b) The intermediate hemp product procession tax imposed
25 under this Article is solely the responsibility of the
26 processor who makes the first sale and is not the

1 responsibility of a subsequent purchaser, hemp retailer, hemp
2 concentrate retailer, hemp extract retailer, hemp concentrate
3 infuser, or an infuser. Persons subject to the tax imposed
4 under this Article may, however, reimburse themselves for
5 their tax liability hereunder by separately stating
6 reimbursement for their tax liability as an additional charge.

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

11 Section 50-15. Registration of processor. Every processor
12 subject to the tax under this Article shall apply to the
13 Department for a certificate of registration under this
14 Article. All applications for registration under this Article
15 shall be made by electronic means in the form and manner
16 required by the Department. For that purpose, the provisions
17 of Section 2a of the Retailers' Occupation Tax Act are
18 incorporated into this Article to the extent not inconsistent
19 with this Article. In addition, no certificate of registration
20 shall be issued under this Article unless the applicant is
21 licensed under this Act.

22 Section 50-20. Returns. Return and payment of intermediate
23 hemp product processing tax. Each person who is required to
24 pay the tax imposed by this Article shall make a return to the

1 Department on or before the 20th day of each month for the
2 preceding calendar month stating:

3 (1) the taxpayer's name;

4 (2) the address of the taxpayer's principal place of
5 business and the address of the principal place of
6 business, if that is a different address, from which the
7 taxpayer is engaged in the business of processing hemp
8 subject to tax under this Article;

9 (3) the total amount of receipts received by the
10 taxpayer during the preceding calendar month from sales of
11 intermediate hemp product subject to tax under this
12 Article by the taxpayer during the preceding calendar
13 month;

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

19 (5) deductions allowed by law;

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

23 (7) the amount of tax due;

24 (8) the signature of the taxpayer; and

25 (9) any other information as the Department may
26 reasonably require.

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

1 unless a waiver has been granted under this Section. Any
2 amount that is required to be shown or reported on any return
3 or other document under this Article shall, if the amount is
4 not a whole-dollar amount, be increased to the nearest
5 whole-dollar amount if the fractional part of a dollar is
6 \$0.50 or more and decreased to the nearest whole-dollar amount
7 if the fractional part of a dollar is less than \$0.50. If a
8 total amount of less than \$1 is payable, refundable, or
9 creditable, the amount shall be disregarded if it is less than
10 \$0.50 and shall be increased to \$1 if it is \$0.50 or more.
11 Notwithstanding any other provision of this Article concerning
12 the time within which a taxpayer may file a return, any such
13 taxpayer who ceases to engage in the kind of business that
14 makes the person responsible for filing returns under this
15 Article shall file a final return under this Article with the
16 Department within one 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 Section 50-25. Infuser and hemp concentrate infuser
6 information returns. If it is deemed necessary for the
7 administration of this Article, the Department may adopt rules
8 that require infusers or hemp concentrate infusers to file
9 information returns regarding the sale of hemp concentrate
10 derived products by infusers or hemp concentrate infusers to
11 dispensaries or hemp concentrate retailers. The Department may
12 require infusers or hemp concentrate infusers to file all
13 information returns by electronic means.

14 Section 50-30. Deposit of proceeds. All moneys received by
15 the Department under this Article shall be deposited into the
16 Cannabis Regulation Fund.

17 Section 50-35. Department administration and enforcement.
18 The Department shall administer and enforce this Article,
19 collect all taxes, penalties, and interest due under this
20 Article, dispose of taxes, penalties, and interest so
21 collected in the manner provided in this Article, and
22 determine all rights to credit memoranda arising on account of
23 the erroneous payment of tax, penalty, or interest under this

1 Article. In the administration of, and compliance with, this
2 Article, the Department and persons who are subject to this
3 Article shall have the same rights, remedies, privileges,
4 immunities, powers, and duties, shall be subject to the same
5 conditions, restrictions, limitations, penalties, and
6 definitions of terms, and shall employ the same modes of
7 procedure as are prescribed in Sections 1, 2-40, 2a, 2b, 2i, 4,
8 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 6d, 7, 8,
9 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act
10 and all of the provisions of the Uniform Penalty and Interest
11 Act that are not inconsistent with this Article, as fully as if
12 those provisions were set forth in this Article. As used in
13 this Section, references in the Retailers' Occupation Tax Act
14 to a "sale of tangible personal property at retail" mean the
15 "sale of intermediate hemp product by a processor".

16 Section 50-40. Invoices. Every sales invoice for
17 intermediate hemp product issued by a processor to a cannabis
18 or hemp business establishment shall contain the processor's
19 certificate of registration number assigned under this
20 Article, date, invoice number, purchaser's name and address,
21 selling price, amount of intermediate hemp product, hemp
22 concentrate, hemp extract, hemp extract derived product, or
23 hemp concentrate derived product and any other reasonable
24 information as the Department may provide by rule is necessary
25 for the administration of this Article. Processors shall

1 retain the invoices for inspection by the Department.

2 Section 50-45. Rules. The Department may adopt rules
3 related to the enforcement of this Article.

4 Article 55.

5 Hemp Concentrate Derived Product Excise Tax

6 Section 55-5. Definitions. In this Article:

7 "Adjusted delta-9-tetrahydrocannabinol level" means, for a
8 delta-9-tetrahydrocannabinol dominant product, the sum of the
9 percentage of delta-9-tetrahydrocannabinol plus .877
10 multiplied by the percentage of tetrahydrocannabinolic acid.

11 "Cannabis retailer" means a dispensing organization that
12 sells cannabis or hemp concentrate derived product for use and
13 not for resale.

14 "Department" means the Department of Revenue.

15 "Director" means the Director of Revenue.

16 "Dispensing organization" has the meaning given to that
17 term in Article 1 of the Cannabis Regulation and Tax Act.

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

23 "Infuser organization" and "infuser" have the meanings

1 given to those terms in Article 1 of the Cannabis Regulation
2 and Tax Act.

3 "Purchase price" means the consideration paid for a
4 purchase of cannabis, valued in money, whether received in
5 money or otherwise, including cash, gift cards, credits, and
6 property and shall be determined without any deduction on
7 account of the cost of materials used, labor or service costs,
8 or any other expense whatsoever. "Purchase price" does not
9 include consideration paid for:

10 (1) any charge for a payment that is not honored by a
11 financial institution;

12 (2) any finance or credit charge, penalty or charge
13 for delayed payment, or discount for prompt payment; and

14 (3) any amounts added to a purchaser's bill because of
15 charges made under the tax imposed by this Article, the
16 Municipal Cannabis Retailers' Occupation Tax Law, the
17 County Cannabis Retailers' Occupation Tax Law, the
18 Retailers' Occupation Tax Act, the Use Tax Act, the
19 Service Occupation Tax Act, the Service Use Tax Act, or
20 any locally imposed occupation or use tax.

21 "Purchaser" means a person who acquires hemp concentrate
22 derived products for a valuable consideration.

23 "Taxpayer" means a hemp concentrate derived product
24 retailer who is required to collect the tax imposed under this
25 Article.

1 Section 55-10. Tax imposed.

2 (a) Beginning January 1, 2024, a tax is imposed upon
3 purchasers for the privilege of using hemp concentrate derived
4 products at the following rates:

5 (1) A hemp concentrate derived product, other than a
6 cannabis-infused product, with an adjusted
7 delta-9-tetrahydrocannabinol, or
8 delta-8-tetrahydrocannabinol level at or below 35% shall
9 be taxed at a rate of 10% of the purchase price;

10 (2) A hemp concentrate derived product, other than a
11 cannabis-infused product, with an adjusted
12 delta-9-tetrahydrocannabinol level or
13 delta-8-tetrahydrocannabinol above 35% shall be taxed at a
14 rate of 25% of the purchase price; and

15 (3) A hemp concentrate derived product shall be taxed
16 at a rate of 20% of the purchase price.

17 (b) The purchase of any product that contains any amount
18 of hemp concentrate is subject to the tax under subsection (a)
19 on the full purchase price of the product.

20 (c) The tax imposed by this Article is not imposed with
21 respect to any transaction in interstate commerce, to the
22 extent the transaction may not, under the Constitution and
23 statutes of the United States, be made the subject of taxation
24 by this State.

25 (d) The tax imposed under this Article shall be in
26 addition to all other occupation, privilege, or excise taxes

1 imposed by the State or by any municipal corporation or
2 political subdivision thereof.

3 (e) The tax imposed under this Article may not be imposed
4 on any purchase by a purchaser if the hemp concentrate
5 retailer or dispensing organization is prohibited by federal
6 or State Constitution, treaty, convention, statute, or court
7 decision from collecting the tax from the purchaser.

8 Section 55-15. Bundling of taxable and nontaxable items;
9 prohibition; taxation. If a hemp concentrate derived product
10 retailer sells hemp concentrate derived products in
11 combination or bundled with items that are not subject to tax
12 under this Act for one price in violation of the prohibition on
13 this activity in Article 15, then the tax under this Act is
14 imposed on the purchase price of the entire bundled product.

15 Section 55-20. Collection of tax.

16 (a) The tax imposed by this Article shall be collected
17 from the purchaser by the hemp concentrate derived product
18 retailer at the rate stated in Section 55-10 with respect to
19 hemp concentrate derived products sold by the hemp concentrate
20 derived product retailer to the purchaser and shall be
21 remitted to the Department as provided in Section 55-30. Hemp
22 concentrate derived product retailers shall collect the tax
23 from purchasers by adding the tax to the amount of the purchase
24 price received from the purchaser for selling hemp concentrate

1 derived products to the purchaser. The tax imposed by this
2 Article shall, when collected, be stated as a distinct item
3 separate and apart from the purchase price of the hemp
4 concentrate derived products.

5 (b) If a hemp concentrate derived product retailer
6 collects the hemp concentrate derived product excise tax
7 measured by a purchase price that is not subject to the
8 intermediate hemp product processing tax, or, if a hemp
9 concentrate derived product retailer, in collecting hemp
10 concentrate derived product excise tax measured by a purchase
11 price that is subject to tax under this Act, collects more from
12 the purchaser than the required amount of the hemp concentrate
13 derived product excise tax on the transaction, the purchaser
14 may request and obtain a refund of that amount from the hemp
15 concentrate derived product retailer. If, however, that amount
16 is not refunded to the purchaser for any reason, the hemp
17 concentrate derived product retailer is liable to pay that
18 amount to the Department.

19 (c) Any person purchasing hemp concentrate derived
20 products subject to tax under this Article as to which there
21 has been no charge made to the person of the tax imposed by
22 Section 55-10 shall make payment of the tax imposed by Section
23 55-10 in the form and manner provided by the Department not
24 later than the 20th day of the month following the month of
25 purchase of the hemp concentrate derived products.

1 Section 55-25. Registration of hemp concentrate derived
2 product retailers. Every hemp concentrate derived product
3 retailer required to collect the tax under this Article shall
4 apply to the Department for a certificate of registration
5 under this Article. All applications for registration under
6 this Article shall be made by electronic means in the form and
7 manner required by the Department. For that purpose, the
8 provisions of Section 2a of the Retailers' Occupation Tax Act
9 are incorporated into this Article to the extent not
10 inconsistent with this Article. In addition, no certificate of
11 registration shall be issued under this Article unless the
12 applicant is licensed under this Act.

13 Section 55-30. Tax collected as debt owed to State. A hemp
14 concentrate derived product retailer required to collect the
15 tax imposed by this Article is liable to the Department for the
16 tax, whether or not the tax has been collected by the hemp
17 concentrate derived product retailer, and the tax shall
18 constitute a debt owed by the hemp concentrate derived product
19 retailer to this State. To the extent that a hemp concentrate
20 derived product retailer required to collect the tax imposed
21 by this Act has actually collected that tax, the tax is held in
22 trust for the benefit of the Department.

23 Section 55-35. Return and payment of tax by hemp
24 concentrate derived product retailer. Each hemp concentrate

1 derived product retailer that is required or authorized to
2 collect the tax imposed by this Article shall make a return to
3 the Department, by electronic means, on or before the 20th day
4 of each month for the preceding calendar month stating the
5 following:

6 (1) The hemp concentrate derived product retailer's
7 name.

8 (2) The address of the hemp concentrate derived
9 product retailer's principal place of business and the
10 address of the principal place of business, if that is a
11 different address, from which the hemp concentrate derived
12 product retailer engaged in the business of selling hemp
13 concentrate derived products subject to tax under this
14 Article.

15 (3) The total purchase price received by the hemp
16 concentrate derived product retailer for hemp concentrate
17 derived products subject to tax under this Article.

18 (4) The amount of tax due at each rate.

19 (5) The signature of the cannabis retailer.

20 (6) Any other information as the Department may
21 reasonably require.

22 All returns required to be filed and payments required to
23 be made under this Article shall be by electronic means. Hemp
24 concentrate derived product retailers who demonstrate hardship
25 in paying electronically may petition the Department to waive
26 the electronic payment requirement.

1 Any amount that is required to be shown or reported on any
2 return or other document under this Article shall, if the
3 amount is not a whole-dollar amount, be increased to the
4 nearest whole-dollar amount if the fractional part of a dollar
5 is \$0.50 or more and decreased to the nearest whole-dollar
6 amount if the fractional part of a dollar is less than \$0.50.
7 If a total amount of less than \$1 is payable, refundable, or
8 creditable, the amount shall be disregarded if it is less than
9 \$0.50 and shall be increased to \$1 if it is \$0.50 or more.

10 The hemp concentrate derived product retailer making the
11 return provided for in this Section shall also pay to the
12 Department, in accordance with this Section, the amount of tax
13 imposed by this Article, less a discount of 1.75%, but not to
14 exceed \$1,000 per return period, which is allowed to reimburse
15 the hemp concentrate derived product retailer for the expenses
16 incurred in keeping records, collecting tax, preparing and
17 filing returns, remitting the tax, and supplying data to the
18 Department upon request. No discount may be claimed by a hemp
19 concentrate derived product retailer on returns not timely
20 filed and for taxes not timely remitted. No discount may be
21 claimed by a taxpayer for any return that is not filed
22 electronically. No discount may be claimed by a taxpayer for
23 any payment that is not made electronically unless a waiver
24 has been granted under this Section.

25 Notwithstanding any other provision of this Article
26 concerning the time within which a hemp concentrate derived

1 product retailer may file a return, a hemp concentrate derived
2 product retailer who ceases to engage in the kind of business
3 that makes the person responsible for filing returns under
4 this Article shall file a final return under this Article with
5 the Department within one month after discontinuing the
6 business.

7 Each hemp concentrate derived product retailer shall make
8 estimated payments to the Department on or before the 7th,
9 15th, 22nd, and last day of the month during which tax
10 liability to the Department is incurred. The payments shall be
11 in an amount not less than the lower of either 22.5% of the
12 hemp concentrate derived product retailer's actual tax
13 liability for the month or 25% of the hemp concentrate derived
14 product retailer's actual tax liability for the same calendar
15 month of the preceding year. The amount of the quarter-monthly
16 payments shall be credited against the final tax liability of
17 the hemp concentrate derived product retailer's return for
18 that month. If any such quarter-monthly payment is not paid at
19 the time or in the amount required by this Section, then the
20 hemp concentrate derived product retailer shall be liable for
21 penalties and interest on the difference between the minimum
22 amount due as a payment and the amount of the quarter-monthly
23 payment actually and timely paid, except insofar as the hemp
24 concentrate derived product retailer has previously made
25 payments for that month to the Department in excess of the
26 minimum payments previously due as provided in this Section.

1 If any payment provided for in this Section exceeds the
2 taxpayer's liabilities under this Article, as shown on an
3 original monthly return, the Department shall, if requested by
4 the taxpayer, issue to the taxpayer a credit memorandum no
5 later than 30 days after the date of payment. The credit
6 evidenced by the credit memorandum may be assigned by the
7 taxpayer to a similar taxpayer under this Article, in
8 accordance with reasonable rules to be prescribed by the
9 Department. If no such request is made, the taxpayer may
10 credit the excess payment against tax liability subsequently
11 to be remitted to the Department under this Article, in
12 accordance with reasonable rules prescribed by the Department.
13 If the Department subsequently determines that all or any part
14 of the credit taken was not actually due to the taxpayer, the
15 taxpayer's discount shall be reduced, if necessary, to reflect
16 the difference between the credit taken and that actually due,
17 and that taxpayer shall be liable for penalties and interest
18 on the difference. If a hemp concentrate derived product
19 retailer fails to sign a return within 30 days after the proper
20 notice and demand for signature by the Department is received
21 by the hemp concentrate derived product retailer, the return
22 shall be considered valid and any amount shown to be due on the
23 return shall be deemed assessed.

24 Section 55-40. Deposit of proceeds. All moneys received by
25 the Department under this Article shall be paid into the

1 Cannabis Regulation Fund.

2 Section 55-45. Recordkeeping; books and records.

3 (a) Every hemp concentrate derived product retailer,
4 whether or not the retailer has obtained a certificate of
5 registration under Section 55-20, shall keep complete and
6 accurate records of cannabis held, purchased, sold, or
7 otherwise disposed of, and shall preserve and keep all
8 invoices, bills of lading, sales records, and copies of bills
9 of sale, returns, and other pertinent papers and documents
10 relating to the purchase, sale, or disposition of hemp
11 concentrate derived products. The records need not be
12 maintained on the licensed premises but must be maintained in
13 the State of Illinois. However, all original invoices or
14 copies thereof covering purchases of hemp concentrate derived
15 products must be retained on the licensed premises for a
16 period of 90 days after such purchase unless the Department
17 has granted a waiver in response to a written request in cases
18 where records are kept at a central business location within
19 the State. The Department shall adopt rules regarding the
20 eligibility for a waiver, revocation of a waiver, and
21 requirements and standards for maintenance and accessibility
22 of records located at a central location under a waiver
23 provided under this Section.

24 (b) Books, records, papers, and documents that are
25 required by this Article to be kept shall, at all times during

1 the usual business hours of the day, be subject to inspection
2 by the Department or its duly authorized agents and employees.
3 The books, records, papers, and documents for any period with
4 respect to which the Department is authorized to issue a
5 notice of tax liability shall be preserved until the
6 expiration of that period.

7 Section 55-50. Violations and penalties.

8 (a) As used in this Section:

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

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

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

1 "Transaction data" includes: items purchased by a
2 purchaser; the price of each item; a taxability determination
3 for each item; a segregated tax amount for each taxed item; the
4 amount of cash or credit tendered; the net amount returned to
5 the customer in change; the date and time of the purchase; the
6 name, address, and identification number of the vendor; and
7 the receipt or invoice number of the transaction.

8 "Transaction report" means a report that documents,
9 without limitation, the sales, taxes, or fees collected, media
10 totals, and discount voids at an electronic cash register and
11 that is printed on a cash register tape at the end of a day or
12 shift, or a report that documents every action at an
13 electronic cash register and is stored electronically.

14 (b) When the amount due is under \$300, (i) a hemp
15 concentrate derived product retailer that fails to file a
16 return, willfully fails or refuses to make any payment to the
17 Department of the tax imposed by this Article, or files a
18 fraudulent return, (ii) an officer or agent of a corporation
19 engaged in the business of selling hemp concentrate derived
20 products to purchasers located in this State who signs a
21 fraudulent return filed on behalf of the corporation, or (iii)
22 an accountant or other agent who knowingly enters false
23 information on the return of any taxpayer under this Article
24 is guilty of a Class 4 felony.

25 (c) When the amount due is \$300 or more, (i) a hemp
26 concentrate derived product retailer who files, or causes to

1 be filed, a fraudulent return, (ii) an officer or agent of a
2 corporation engaged in the business of selling hemp
3 concentrate derived products to purchasers located in this
4 State who files or causes to be filed or signs or causes to be
5 signed a fraudulent return filed on behalf of the corporation,
6 or (iii) an accountant or other agent who knowingly enters
7 false information on the return of any taxpayer under this
8 Article is guilty of a Class 3 felony.

9 (d) A person who violates any provision of Section 55-20,
10 fails to keep books and records as required under this
11 Article, or willfully violates a rule of the Department for
12 the administration and enforcement of this Article is guilty
13 of a Class 4 felony. A person commits a separate offense on
14 each day that he or she engages in business in violation of
15 Section 55-20 or a rule of the Department for the
16 administration and enforcement of this Article. If a person
17 fails to produce the books and records for inspection by the
18 Department upon request, a prima facie presumption arises that
19 the person has failed to keep books and records as required
20 under this Article. A person who is unable to rebut this
21 presumption is in violation of this Article and is subject to
22 the penalties provided in this Section.

23 (e) A person who violates any provision of Sections 55-20,
24 fails to keep books and records as required under this
25 Article, or willfully violates a rule of the Department for
26 the administration and enforcement of this Article is guilty

1 of a business offense and may be fined up to \$5,000. If a
2 person fails to produce books and records for inspection by
3 the Department upon request, a prima facie presumption shall
4 arise that the person has failed to keep books and records as
5 required under this Article. A person who is unable to rebut
6 this presumption is in violation of this Article and is
7 subject to the penalties provided in this Section. A person
8 commits a separate offense on each day that the person engages
9 in business in violation of Section 55-20.

10 (f) A taxpayer or agent of a taxpayer who, with the intent
11 to defraud, purports to make a payment due to the Department by
12 issuing or delivering a check or other order upon a real or
13 fictitious depository for the payment of money knowing that it
14 will not be paid by the depository is guilty of a deceptive
15 practice in violation of Section 17-1 of the Criminal Code of
16 2012.

17 (g) A person who fails to keep books and records or fails
18 to produce books and records for inspection, as required by
19 Section 55-40, is liable to pay to the Department, for deposit
20 in the Tax Compliance and Administration Fund, a penalty of
21 \$1,000 for the first failure to keep books and records or
22 failure to produce books and records for inspection, as
23 required by Section 55-40, and \$3,000 for each subsequent
24 failure to keep books and records or failure to produce books
25 and records for inspection, as required by Section 55-40.

26 (h) A person who knowingly acts as a hemp concentrate

1 derived product retailer in this State without first having
2 obtained a certificate of registration to do so in compliance
3 with Section 55-20 of this Article shall be guilty of a Class 4
4 felony.

5 (i) A person commits the offense of tax evasion under this
6 Article when he or she knowingly attempts in any manner to
7 evade or defeat the tax imposed on him or her or on any other
8 person, or the payment thereof, and he or she commits an
9 affirmative act in furtherance of the evasion. As used in this
10 subsection, "affirmative act in furtherance of the evasion"
11 means an act designed in whole or in part to (i) conceal,
12 misrepresent, falsify, or manipulate any material fact or (ii)
13 tamper with or destroy documents or materials related to a
14 person's tax liability under this Article. Two or more acts of
15 sales tax evasion may be charged as a single count in any
16 indictment, information, or complaint and the amount of tax
17 deficiency may be aggregated for purposes of determining the
18 amount of tax that is attempted to be or is evaded and the
19 period between the first and last acts may be alleged as the
20 date of the offense. Penalties for the offense of tax evasion
21 under this subsection are as follows:

22 (1) When the amount of tax, the assessment, or payment
23 of which is attempted to be or is evaded is less than \$500,
24 a person is guilty of a Class 4 felony.

25 (2) When the amount of tax, the assessment, or payment
26 of which is attempted to be or is evaded is \$500 or more

1 but less than \$10,000, a person is guilty of a Class 3
2 felony.

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

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

10 A person who knowingly sells, purchases, installs,
11 transfers, possesses, uses, or accesses an automated sales
12 suppression device or phantom-ware in this State is guilty of
13 a Class 3 felony.

14 A prosecution for any act in violation of this Section may
15 be commenced at any time within 5 years of the commission of
16 that act.

17 (j) The Department may adopt rules to administer the
18 penalties under this Section.

19 (k) A person whose principal place of business is in this
20 State and who is charged with a violation under this Section
21 shall be tried in the county where the person's principal
22 place of business is located unless the person asserts a right
23 to be tried in another venue.

24 (l) Except as otherwise provided in subsection (g), a
25 prosecution for a violation described in this Section may be
26 commenced within 3 years after the commission of the act

1 constituting the violation.

2 Section 55-55. Department administration and enforcement.

3 (a) The Department shall administer and enforce this
4 Article, collect all taxes and penalties due under this
5 Article, dispose of taxes and penalties so collected in the
6 manner provided in this Article, and determine all rights to
7 credit memoranda arising on account of the erroneous payment
8 of tax or penalty under this Article.

9 (b) In the administration of, and compliance with, this
10 Article, the Department and persons who are subject to this
11 Article shall have the same rights, remedies, privileges,
12 immunities, powers, and duties, shall be subject to the same
13 conditions, restrictions, limitations, penalties, and
14 definitions of terms, and shall employ the same modes of
15 procedure as are prescribed in Sections 2, 3-55, 3a, 4, 5, 7,
16 10a, 11, 12a, 12b, 14, 15, 19, 20, 21, and 22 of the Use Tax
17 Act and Sections 1, 2-12, 2b, 4, except that the time
18 limitation provisions shall run from the date when the tax is
19 due rather than from the date when gross receipts are
20 received, 5, except that the time limitation provisions on the
21 issuance of notices of tax liability shall run from the date
22 when the tax is due rather than from the date when gross
23 receipts are received and except that in the case of a failure
24 to file a return required by this Act, no notice of tax
25 liability shall be issued on and after each July 1 and January

1 covering tax due with that return during any month or period
2 more than 6 years before that July 1 or January 1,
3 respectively, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5j, 6d, 7, 8, 9,
4 10, 11, and 12 of the Retailers' Occupation Tax Act and all of
5 the provisions of the Uniform Penalty and Interest Act that
6 are not inconsistent with this Article, as fully as if those
7 provisions were set forth in this Article. References in the
8 incorporated Sections of the Retailers' Occupation Tax Act and
9 the Use Tax Act to retailers, to sellers, or to persons engaged
10 in the business of selling tangible personal property mean
11 hemp concentrate derived product retailers when used in this
12 Article. References in the incorporated Sections to sales of
13 tangible personal property mean sales of hemp concentrate
14 derived products subject to tax under this Article when used
15 in this Article.

16 Section 55-60. Arrest; search and seizure without warrant.
17 An authorized employee of the Department may: (i) arrest
18 without warrant any person committing in the employee's
19 presence a violation of any of the provisions of this Article;
20 (ii) without a search warrant inspect all hemp concentrate
21 derived products located in any place of business; (iii) seize
22 any hemp concentrate derived products in the possession of the
23 retailer in violation of this Act; and (iv) seize any hemp
24 concentrate derived products on which the tax imposed by
25 Article 50 of this Act has not been paid. Hemp concentrate

1 derived products seized under this Section are subject to
2 confiscation and forfeiture as provided in Sections 55-65 and
3 55-70.

4 Section 55-65. Seizure and forfeiture.

5 (a) After seizing any hemp concentrate derived products as
6 provided in Section 55-60, the Department must hold a hearing
7 and determine whether the retailer was properly registered to
8 sell the hemp concentrate derived products at the time of its
9 seizure by the Department. The Department shall give not less
10 than 20 days' notice of the time and place of the hearing to
11 the owner of the hemp concentrate derived products, if the
12 owner is known, and also to the person in whose possession the
13 hemp concentrate derived products was found, if that person is
14 known and if the person in possession is not the owner of the
15 hemp concentrate derived products. If neither the owner nor
16 the person in possession of the hemp concentrate derived
17 products is known, the Department must cause publication of
18 the time and place of the hearing to be made at least once in
19 each week for 3 weeks successively in a newspaper of general
20 circulation in the county where the hearing is to be held.

21 (b) If, as the result of the hearing, the Department
22 determines that the retailer was not properly registered at
23 the time the hemp concentrate derived products was seized, the
24 Department must enter an order declaring the hemp concentrate
25 derived products confiscated and forfeited to the State, to be

1 held by the Department for disposal by it as provided in
2 Section 55-70. The Department must give notice of the order to
3 the owner of the hemp concentrate derived products, if the
4 owner is known, and also to the person in whose possession the
5 hemp concentrate derived products was found, if that person is
6 known and if the person in possession is not the owner of the
7 hemp concentrate derived products. If neither the owner nor
8 the person in possession of the hemp concentrate derived
9 products is known, the Department must cause publication of
10 the order to be made at least once in each week for 3 weeks
11 successively in a newspaper of general circulation in the
12 county where the hearing was held.

13 Section 55-70. Search warrant; issuance and return;
14 process; confiscation of hemp concentrate derived products;
15 forfeitures.

16 (a) If a peace officer of this State or an authorized
17 officer or employee of the Department has reason to believe
18 that any violation of this Article or a rule of the Department
19 for the administration and enforcement of this Article has
20 occurred and that the person violating this Article or rule
21 has in that person's possession any hemp concentrate derived
22 products in violation of this Article or a rule of the
23 Department for the administration and enforcement of this
24 Article, that peace officer or officer or employee of the
25 Department may file or cause to be filed his or her complaint

1 in writing, verified by affidavit, with any court within whose
2 jurisdiction the premises to be searched are situated stating
3 the facts upon which the belief is founded, the premises to be
4 searched, and the property to be seized, and the peace officer
5 or officer or employee of the Department may procure a search
6 warrant and execute that warrant. Upon the execution of the
7 search warrant, the peace officer or officer or employee of
8 the Department executing the search warrant shall make due
9 return of the warrant to the court issuing the warrant,
10 together with an inventory of the property taken under the
11 warrant. The court must then issue process against the owner
12 of the property if the owner is known; otherwise, process must
13 be issued against the person in whose possession the property
14 is found, if that person is known. In case of inability to
15 serve process upon the owner or the person in possession of the
16 property at the time of its seizure, notice of the proceedings
17 before the court must be given in the same manner as required
18 by the law governing cases of attachment. Upon the return of
19 the process duly served or upon the posting or publishing of
20 notice made, as appropriate, the court or jury, if a jury is
21 demanded, shall proceed to determine whether the property so
22 seized was held or possessed in violation of this Article or a
23 rule of the Department for the administration and enforcement
24 of this Article. If a violation is found, judgment shall be
25 entered confiscating the property and forfeiting it to the
26 State and ordering its delivery to the Department. In

1 addition, the court may tax and assess the costs of the
2 proceedings.

3 (b) When any hemp concentrate derived products have been
4 declared forfeited to the State by the Department, as provided
5 in Section 55-65 and this Section, and, when all proceedings
6 for the judicial review of the Department's decision have
7 terminated, the Department shall, to the extent that its
8 decision is sustained on review, destroy or maintain and use
9 the hemp concentrate derived products in an undercover
10 capacity.

11 (c) The Department may, before any destruction of hemp
12 concentrate derived products, permit the holder of trademark
13 rights in the hemp concentrate derived products to inspect the
14 hemp concentrate derived products in order to assist the
15 Department in any investigation regarding the hemp concentrate
16 derived products.

17 Section 55-75. Hemp concentrate derived product retailers;
18 purchase and possession of hemp concentrate derived products.
19 Hemp concentrate derived product retailers shall purchase hemp
20 concentrate derived products for resale only from cannabis or
21 hemp business establishments as authorized by this Act.

22 Section 55-80. Rulemaking. The Department may adopt rules
23 in accordance with the Illinois Administrative Procedure Act
24 and prescribe forms relating to the administration and

1 enforcement of this Article as it deems appropriate.

2 Article 800. Amendatory Changes

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

5 (5 ILCS 100/5-45.55 new)

6 Sec. 5-45.55. Emergency rulemaking; Hemp Cannabinoid
7 Products Act. To provide for the expeditious and timely
8 implementation of the Hemp Cannabinoid Products Act, emergency
9 rules implementing the Hemp Cannabinoid Products Act may be
10 adopted in accordance with Section 5-45 by the Department of
11 Agriculture. The adoption of emergency rules authorized by
12 Section 5-45 and this Section is deemed to be necessary for the
13 public interest, safety, and welfare.

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

16 Section 800-10. The Use Tax Act is amended by changing
17 Section 9 as follows:

18 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

19 Sec. 9. Except as to motor vehicles, watercraft, aircraft,
20 and trailers that are required to be registered with an agency
21 of this State, each retailer required or authorized to collect

1 the tax imposed by this Act shall pay to the Department the
2 amount of such tax (except as otherwise provided) at the time
3 when he is required to file his return for the period during
4 which such tax was collected, less a discount of 2.1% prior to
5 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5
6 per calendar year, whichever is greater, which is allowed to
7 reimburse the retailer for expenses incurred in collecting the
8 tax, keeping records, preparing and filing returns, remitting
9 the tax and supplying data to the Department on request. When
10 determining the discount allowed under this Section, retailers
11 shall include the amount of tax that would have been due at the
12 6.25% rate but for the 1.25% rate imposed on sales tax holiday
13 items under Public Act 102-700. The discount under this
14 Section is not allowed for the 1.25% portion of taxes paid on
15 aviation fuel that is subject to the revenue use requirements
16 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. When determining
17 the discount allowed under this Section, retailers shall
18 include the amount of tax that would have been due at the 1%
19 rate but for the 0% rate imposed under Public Act 102-700. In
20 the case of retailers who report and pay the tax on a
21 transaction by transaction basis, as provided in this Section,
22 such discount shall be taken with each such tax remittance
23 instead of when such retailer files his periodic return. The
24 discount allowed under this Section is allowed only for
25 returns that are filed in the manner required by this Act. The
26 Department may disallow the discount for retailers whose

1 certificate of registration is revoked at the time the return
2 is filed, but only if the Department's decision to revoke the
3 certificate of registration has become final. A retailer need
4 not remit that part of any tax collected by him to the extent
5 that he is required to remit and does remit the tax imposed by
6 the Retailers' Occupation Tax Act, with respect to the sale of
7 the same property.

8 Where such tangible personal property is sold under a
9 conditional sales contract, or under any other form of sale
10 wherein the payment of the principal sum, or a part thereof, is
11 extended beyond the close of the period for which the return is
12 filed, the retailer, in collecting the tax (except as to motor
13 vehicles, watercraft, aircraft, and trailers that are required
14 to be registered with an agency of this State), may collect for
15 each tax return period, only the tax applicable to that part of
16 the selling price actually received during such tax return
17 period.

18 Except as provided in this Section, on or before the
19 twentieth day of each calendar month, such retailer shall file
20 a return for the preceding calendar month. Such return shall
21 be filed on forms prescribed by the Department and shall
22 furnish such information as the Department may reasonably
23 require. The return shall include the gross receipts on food
24 for human consumption that is to be consumed off the premises
25 where it is sold (other than alcoholic beverages, food
26 consisting of or infused with adult use cannabis, soft drinks,

1 and food that has been prepared for immediate consumption)
2 which were received during the preceding calendar month,
3 quarter, or year, as appropriate, and upon which tax would
4 have been due but for the 0% rate imposed under Public Act
5 102-700. The return shall also include the amount of tax that
6 would have been due on food for human consumption that is to be
7 consumed off the premises where it is sold (other than
8 alcoholic beverages, food consisting of or infused with adult
9 use cannabis, soft drinks, and food that has been prepared for
10 immediate consumption) but for the 0% rate imposed under
11 Public Act 102-700.

12 On and after January 1, 2018, except for returns required
13 to be filed prior to January 1, 2023 for motor vehicles,
14 watercraft, aircraft, and trailers that are required to be
15 registered with an agency of this State, with respect to
16 retailers whose annual gross receipts average \$20,000 or more,
17 all returns required to be filed pursuant to this Act shall be
18 filed electronically. On and after January 1, 2023, with
19 respect to retailers whose annual gross receipts average
20 \$20,000 or more, all returns required to be filed pursuant to
21 this Act, including, but not limited to, returns for motor
22 vehicles, watercraft, aircraft, and trailers that are required
23 to be registered with an agency of this State, shall be filed
24 electronically. Retailers who demonstrate that they do not
25 have access to the Internet or demonstrate hardship in filing
26 electronically may petition the Department to waive the

1 electronic filing requirement.

2 The Department may require returns to be filed on a
3 quarterly basis. If so required, a return for each calendar
4 quarter shall be filed on or before the twentieth day of the
5 calendar month following the end of such calendar quarter. The
6 taxpayer shall also file a return with the Department for each
7 of the first two months of each calendar quarter, on or before
8 the twentieth day of the following calendar month, stating:

9 1. The name of the seller;

10 2. The address of the principal place of business from
11 which he engages in the business of selling tangible
12 personal property at retail in this State;

13 3. The total amount of taxable receipts received by
14 him during the preceding calendar month from sales of
15 tangible personal property by him during such preceding
16 calendar month, including receipts from charge and time
17 sales, but less all deductions allowed by law;

18 4. The amount of credit provided in Section 2d of this
19 Act;

20 5. The amount of tax due;

21 5-5. The signature of the taxpayer; and

22 6. Such other reasonable information as the Department
23 may require.

24 Each retailer required or authorized to collect the tax
25 imposed by this Act on aviation fuel sold at retail in this
26 State during the preceding calendar month shall, instead of

1 reporting and paying tax on aviation fuel as otherwise
2 required by this Section, report and pay such tax on a separate
3 aviation fuel tax return. The requirements related to the
4 return shall be as otherwise provided in this Section.
5 Notwithstanding any other provisions of this Act to the
6 contrary, retailers collecting tax on aviation fuel shall file
7 all aviation fuel tax returns and shall make all aviation fuel
8 tax payments by electronic means in the manner and form
9 required by the Department. For purposes of this Section,
10 "aviation fuel" means jet fuel and aviation gasoline.

11 If a taxpayer fails to sign a return within 30 days after
12 the proper notice and demand for signature by the Department,
13 the return shall be considered valid and any amount shown to be
14 due on the return shall be deemed assessed.

15 Notwithstanding any other provision of this Act to the
16 contrary, retailers subject to tax on cannabis shall file all
17 cannabis tax returns and shall make all cannabis tax payments
18 by electronic means in the manner and form required by the
19 Department.

20 Notwithstanding any other provision of this Act to the
21 contrary, retailers subject to tax on hemp concentrate,
22 intermediate hemp products, or hemp concentrate derived
23 products shall file all tax returns and shall make all tax
24 payments on hemp concentrate, intermediate hemp products, and
25 hemp concentrate derived products by electronic means in the
26 manner and form required by the Department.

1 Beginning October 1, 1993, a taxpayer who has an average
2 monthly tax liability of \$150,000 or more shall make all
3 payments required by rules of the Department by electronic
4 funds transfer. Beginning October 1, 1994, a taxpayer who has
5 an average monthly tax liability of \$100,000 or more shall
6 make all payments required by rules of the Department by
7 electronic funds transfer. Beginning October 1, 1995, a
8 taxpayer who has an average monthly tax liability of \$50,000
9 or more shall make all payments required by rules of the
10 Department by electronic funds transfer. Beginning October 1,
11 2000, a taxpayer who has an annual tax liability of \$200,000 or
12 more shall make all payments required by rules of the
13 Department by electronic funds transfer. The term "annual tax
14 liability" shall be the sum of the taxpayer's liabilities
15 under this Act, and under all other State and local occupation
16 and use tax laws administered by the Department, for the
17 immediately preceding calendar year. The term "average monthly
18 tax liability" means the sum of the taxpayer's liabilities
19 under this Act, and under all other State and local occupation
20 and use tax laws administered by the Department, for the
21 immediately preceding calendar year divided by 12. Beginning
22 on October 1, 2002, a taxpayer who has a tax liability in the
23 amount set forth in subsection (b) of Section 2505-210 of the
24 Department of Revenue Law shall make all payments required by
25 rules of the Department by electronic funds transfer.

26 Before August 1 of each year beginning in 1993, the

1 Department shall notify all taxpayers required to make
2 payments by electronic funds transfer. All taxpayers required
3 to make payments by electronic funds transfer shall make those
4 payments for a minimum of one year beginning on October 1.

5 Any taxpayer not required to make payments by electronic
6 funds transfer may make payments by electronic funds transfer
7 with the permission of the Department.

8 All taxpayers required to make payment by electronic funds
9 transfer and any taxpayers authorized to voluntarily make
10 payments by electronic funds transfer shall make those
11 payments in the manner authorized by the Department.

12 The Department shall adopt such rules as are necessary to
13 effectuate a program of electronic funds transfer and the
14 requirements of this Section.

15 Before October 1, 2000, if the taxpayer's average monthly
16 tax liability to the Department under this Act, the Retailers'
17 Occupation Tax Act, the Service Occupation Tax Act, the
18 Service Use Tax Act was \$10,000 or more during the preceding 4
19 complete calendar quarters, he shall file a return with the
20 Department each month by the 20th day of the month next
21 following the month during which such tax liability is
22 incurred and shall make payments to the Department on or
23 before the 7th, 15th, 22nd and last day of the month during
24 which such liability is incurred. On and after October 1,
25 2000, if the taxpayer's average monthly tax liability to the
26 Department under this Act, the Retailers' Occupation Tax Act,

1 the Service Occupation Tax Act, and the Service Use Tax Act was
2 \$20,000 or more during the preceding 4 complete calendar
3 quarters, he shall file a return with the Department each
4 month by the 20th day of the month next following the month
5 during which such tax liability is incurred and shall make
6 payment to the Department on or before the 7th, 15th, 22nd and
7 last day of the month during which such liability is incurred.
8 If the month during which such tax liability is incurred began
9 prior to January 1, 1985, each payment shall be in an amount
10 equal to 1/4 of the taxpayer's actual liability for the month
11 or an amount set by the Department not to exceed 1/4 of the
12 average monthly liability of the taxpayer to the Department
13 for the preceding 4 complete calendar quarters (excluding the
14 month of highest liability and the month of lowest liability
15 in such 4 quarter period). If the month during which such tax
16 liability is incurred begins on or after January 1, 1985, and
17 prior to January 1, 1987, each payment shall be in an amount
18 equal to 22.5% of the taxpayer's actual liability for the
19 month or 27.5% of the taxpayer's liability for the same
20 calendar month of the preceding year. If the month during
21 which such tax liability is incurred begins on or after
22 January 1, 1987, and prior to January 1, 1988, each payment
23 shall be in an amount equal to 22.5% of the taxpayer's actual
24 liability for the month or 26.25% of the taxpayer's liability
25 for the same calendar month of the preceding year. If the month
26 during which such tax liability is incurred begins on or after

1 January 1, 1988, and prior to January 1, 1989, or begins on or
2 after January 1, 1996, each payment shall be in an amount equal
3 to 22.5% of the taxpayer's actual liability for the month or
4 25% of the taxpayer's liability for the same calendar month of
5 the preceding year. If the month during which such tax
6 liability is incurred begins on or after January 1, 1989, and
7 prior to January 1, 1996, each payment shall be in an amount
8 equal to 22.5% of the taxpayer's actual liability for the
9 month or 25% of the taxpayer's liability for the same calendar
10 month of the preceding year or 100% of the taxpayer's actual
11 liability for the quarter monthly reporting period. The amount
12 of such quarter monthly payments shall be credited against the
13 final tax liability of the taxpayer's return for that month.
14 Before October 1, 2000, once applicable, the requirement of
15 the making of quarter monthly payments to the Department shall
16 continue until such taxpayer's average monthly liability to
17 the Department during the preceding 4 complete calendar
18 quarters (excluding the month of highest liability and the
19 month of lowest liability) is less than \$9,000, or until such
20 taxpayer's average monthly liability to the Department as
21 computed for each calendar quarter of the 4 preceding complete
22 calendar quarter period is less than \$10,000. However, if a
23 taxpayer can show the Department that a substantial change in
24 the taxpayer's business has occurred which causes the taxpayer
25 to anticipate that his average monthly tax liability for the
26 reasonably foreseeable future will fall below the \$10,000

1 threshold stated above, then such taxpayer may petition the
2 Department for change in such taxpayer's reporting status. On
3 and after October 1, 2000, once applicable, the requirement of
4 the making of quarter monthly payments to the Department shall
5 continue until such taxpayer's average monthly liability to
6 the Department during the preceding 4 complete calendar
7 quarters (excluding the month of highest liability and the
8 month of lowest liability) is less than \$19,000 or until such
9 taxpayer's average monthly liability to the Department as
10 computed for each calendar quarter of the 4 preceding complete
11 calendar quarter period is less than \$20,000. However, if a
12 taxpayer can show the Department that a substantial change in
13 the taxpayer's business has occurred which causes the taxpayer
14 to anticipate that his average monthly tax liability for the
15 reasonably foreseeable future will fall below the \$20,000
16 threshold stated above, then such taxpayer may petition the
17 Department for a change in such taxpayer's reporting status.
18 The Department shall change such taxpayer's reporting status
19 unless it finds that such change is seasonal in nature and not
20 likely to be long term. Quarter monthly payment status shall
21 be determined under this paragraph as if the rate reduction to
22 1.25% in Public Act 102-700 on sales tax holiday items had not
23 occurred. For quarter monthly payments due on or after July 1,
24 2023 and through June 30, 2024, "25% of the taxpayer's
25 liability for the same calendar month of the preceding year"
26 shall be determined as if the rate reduction to 1.25% in Public

1 Act 102-700 on sales tax holiday items had not occurred.
2 Quarter monthly payment status shall be determined under this
3 paragraph as if the rate reduction to 0% in Public Act 102-700
4 on food for human consumption that is to be consumed off the
5 premises where it is sold (other than alcoholic beverages,
6 food consisting of or infused with adult use cannabis, soft
7 drinks, and food that has been prepared for immediate
8 consumption) had not occurred. For quarter monthly payments
9 due under this paragraph on or after July 1, 2023 and through
10 June 30, 2024, "25% of the taxpayer's liability for the same
11 calendar month of the preceding year" shall be determined as
12 if the rate reduction to 0% in Public Act 102-700 had not
13 occurred. If any such quarter monthly payment is not paid at
14 the time or in the amount required by this Section, then the
15 taxpayer shall be liable for penalties and interest on the
16 difference between the minimum amount due and the amount of
17 such quarter monthly payment actually and timely paid, except
18 insofar as the taxpayer has previously made payments for that
19 month to the Department in excess of the minimum payments
20 previously due as provided in this Section. The Department
21 shall make reasonable rules and regulations to govern the
22 quarter monthly payment amount and quarter monthly payment
23 dates for taxpayers who file on other than a calendar monthly
24 basis.

25 If any such payment provided for in this Section exceeds
26 the taxpayer's liabilities under this Act, the Retailers'

1 Occupation Tax Act, the Service Occupation Tax Act and the
2 Service Use Tax Act, as shown by an original monthly return,
3 the Department shall issue to the taxpayer a credit memorandum
4 no later than 30 days after the date of payment, which
5 memorandum may be submitted by the taxpayer to the Department
6 in payment of tax liability subsequently to be remitted by the
7 taxpayer to the Department or be assigned by the taxpayer to a
8 similar taxpayer under this Act, the Retailers' Occupation Tax
9 Act, the Service Occupation Tax Act or the Service Use Tax Act,
10 in accordance with reasonable rules and regulations to be
11 prescribed by the Department, except that if such excess
12 payment is shown on an original monthly return and is made
13 after December 31, 1986, no credit memorandum shall be issued,
14 unless requested by the taxpayer. If no such request is made,
15 the taxpayer may credit such excess payment against tax
16 liability subsequently to be remitted by the taxpayer to the
17 Department under this Act, the Retailers' Occupation Tax Act,
18 the Service Occupation Tax Act or the Service Use Tax Act, in
19 accordance with reasonable rules and regulations prescribed by
20 the Department. If the Department subsequently determines that
21 all or any part of the credit taken was not actually due to the
22 taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall
23 be reduced by 2.1% or 1.75% of the difference between the
24 credit taken and that actually due, and the taxpayer shall be
25 liable for penalties and interest on such difference.

26 If the retailer is otherwise required to file a monthly

1 return and if the retailer's average monthly tax liability to
2 the Department does not exceed \$200, the Department may
3 authorize his returns to be filed on a quarter annual basis,
4 with the return for January, February, and March of a given
5 year being due by April 20 of such year; with the return for
6 April, May and June of a given year being due by July 20 of
7 such year; with the return for July, August and September of a
8 given year being due by October 20 of such year, and with the
9 return for October, November and December of a given year
10 being due by January 20 of the following year.

11 If the retailer is otherwise required to file a monthly or
12 quarterly return and if the retailer's average monthly tax
13 liability to the Department does not exceed \$50, the
14 Department may authorize his returns to be filed on an annual
15 basis, with the return for a given year being due by January 20
16 of the following year.

17 Such quarter annual and annual returns, as to form and
18 substance, shall be subject to the same requirements as
19 monthly returns.

20 Notwithstanding any other provision in this Act concerning
21 the time within which a retailer may file his return, in the
22 case of any retailer who ceases to engage in a kind of business
23 which makes him responsible for filing returns under this Act,
24 such retailer shall file a final return under this Act with the
25 Department not more than one month after discontinuing such
26 business.

1 In addition, with respect to motor vehicles, watercraft,
2 aircraft, and trailers that are required to be registered with
3 an agency of this State, except as otherwise provided in this
4 Section, every retailer selling this kind of tangible personal
5 property shall file, with the Department, upon a form to be
6 prescribed and supplied by the Department, a separate return
7 for each such item of tangible personal property which the
8 retailer sells, except that if, in the same transaction, (i) a
9 retailer of aircraft, watercraft, motor vehicles or trailers
10 transfers more than one aircraft, watercraft, motor vehicle or
11 trailer to another aircraft, watercraft, motor vehicle or
12 trailer retailer for the purpose of resale or (ii) a retailer
13 of aircraft, watercraft, motor vehicles, or trailers transfers
14 more than one aircraft, watercraft, motor vehicle, or trailer
15 to a purchaser for use as a qualifying rolling stock as
16 provided in Section 3-55 of this Act, then that seller may
17 report the transfer of all the aircraft, watercraft, motor
18 vehicles or trailers involved in that transaction to the
19 Department on the same uniform invoice-transaction reporting
20 return form. For purposes of this Section, "watercraft" means
21 a Class 2, Class 3, or Class 4 watercraft as defined in Section
22 3-2 of the Boat Registration and Safety Act, a personal
23 watercraft, or any boat equipped with an inboard motor.

24 In addition, with respect to motor vehicles, watercraft,
25 aircraft, and trailers that are required to be registered with
26 an agency of this State, every person who is engaged in the

1 business of leasing or renting such items and who, in
2 connection with such business, sells any such item to a
3 retailer for the purpose of resale is, notwithstanding any
4 other provision of this Section to the contrary, authorized to
5 meet the return-filing requirement of this Act by reporting
6 the transfer of all the aircraft, watercraft, motor vehicles,
7 or trailers transferred for resale during a month to the
8 Department on the same uniform invoice-transaction reporting
9 return form on or before the 20th of the month following the
10 month in which the transfer takes place. Notwithstanding any
11 other provision of this Act to the contrary, all returns filed
12 under this paragraph must be filed by electronic means in the
13 manner and form as required by the Department.

14 The transaction reporting return in the case of motor
15 vehicles or trailers that are required to be registered with
16 an agency of this State, shall be the same document as the
17 Uniform Invoice referred to in Section 5-402 of the Illinois
18 Vehicle Code and must show the name and address of the seller;
19 the name and address of the purchaser; the amount of the
20 selling price including the amount allowed by the retailer for
21 traded-in property, if any; the amount allowed by the retailer
22 for the traded-in tangible personal property, if any, to the
23 extent to which Section 2 of this Act allows an exemption for
24 the value of traded-in property; the balance payable after
25 deducting such trade-in allowance from the total selling
26 price; the amount of tax due from the retailer with respect to

1 such transaction; the amount of tax collected from the
2 purchaser by the retailer on such transaction (or satisfactory
3 evidence that such tax is not due in that particular instance,
4 if that is claimed to be the fact); the place and date of the
5 sale; a sufficient identification of the property sold; such
6 other information as is required in Section 5-402 of the
7 Illinois Vehicle Code, and such other information as the
8 Department may reasonably require.

9 The transaction reporting return in the case of watercraft
10 and aircraft must show the name and address of the seller; the
11 name and address of the purchaser; the amount of the selling
12 price including the amount allowed by the retailer for
13 traded-in property, if any; the amount allowed by the retailer
14 for the traded-in tangible personal property, if any, to the
15 extent to which Section 2 of this Act allows an exemption for
16 the value of traded-in property; the balance payable after
17 deducting such trade-in allowance from the total selling
18 price; the amount of tax due from the retailer with respect to
19 such transaction; the amount of tax collected from the
20 purchaser by the retailer on such transaction (or satisfactory
21 evidence that such tax is not due in that particular instance,
22 if that is claimed to be the fact); the place and date of the
23 sale, a sufficient identification of the property sold, and
24 such other information as the Department may reasonably
25 require.

26 Such transaction reporting return shall be filed not later

1 than 20 days after the date of delivery of the item that is
2 being sold, but may be filed by the retailer at any time sooner
3 than that if he chooses to do so. The transaction reporting
4 return and tax remittance or proof of exemption from the tax
5 that is imposed by this Act may be transmitted to the
6 Department by way of the State agency with which, or State
7 officer with whom, the tangible personal property must be
8 titled or registered (if titling or registration is required)
9 if the Department and such agency or State officer determine
10 that this procedure will expedite the processing of
11 applications for title or registration.

12 With each such transaction reporting return, the retailer
13 shall remit the proper amount of tax due (or shall submit
14 satisfactory evidence that the sale is not taxable if that is
15 the case), to the Department or its agents, whereupon the
16 Department shall issue, in the purchaser's name, a tax receipt
17 (or a certificate of exemption if the Department is satisfied
18 that the particular sale is tax exempt) which such purchaser
19 may submit to the agency with which, or State officer with
20 whom, he must title or register the tangible personal property
21 that is involved (if titling or registration is required) in
22 support of such purchaser's application for an Illinois
23 certificate or other evidence of title or registration to such
24 tangible personal property.

25 No retailer's failure or refusal to remit tax under this
26 Act precludes a user, who has paid the proper tax to the

1 retailer, from obtaining his certificate of title or other
2 evidence of title or registration (if titling or registration
3 is required) upon satisfying the Department that such user has
4 paid the proper tax (if tax is due) to the retailer. The
5 Department shall adopt appropriate rules to carry out the
6 mandate of this paragraph.

7 If the user who would otherwise pay tax to the retailer
8 wants the transaction reporting return filed and the payment
9 of tax or proof of exemption made to the Department before the
10 retailer is willing to take these actions and such user has not
11 paid the tax to the retailer, such user may certify to the fact
12 of such delay by the retailer, and may (upon the Department
13 being satisfied of the truth of such certification) transmit
14 the information required by the transaction reporting return
15 and the remittance for tax or proof of exemption directly to
16 the Department and obtain his tax receipt or exemption
17 determination, in which event the transaction reporting return
18 and tax remittance (if a tax payment was required) shall be
19 credited by the Department to the proper retailer's account
20 with the Department, but without the 2.1% or 1.75% discount
21 provided for in this Section being allowed. When the user pays
22 the tax directly to the Department, he shall pay the tax in the
23 same amount and in the same form in which it would be remitted
24 if the tax had been remitted to the Department by the retailer.

25 Where a retailer collects the tax with respect to the
26 selling price of tangible personal property which he sells and

1 the purchaser thereafter returns such tangible personal
2 property and the retailer refunds the selling price thereof to
3 the purchaser, such retailer shall also refund, to the
4 purchaser, the tax so collected from the purchaser. When
5 filing his return for the period in which he refunds such tax
6 to the purchaser, the retailer may deduct the amount of the tax
7 so refunded by him to the purchaser from any other use tax
8 which such retailer may be required to pay or remit to the
9 Department, as shown by such return, if the amount of the tax
10 to be deducted was previously remitted to the Department by
11 such retailer. If the retailer has not previously remitted the
12 amount of such tax to the Department, he is entitled to no
13 deduction under this Act upon refunding such tax to the
14 purchaser.

15 Any retailer filing a return under this Section shall also
16 include (for the purpose of paying tax thereon) the total tax
17 covered by such return upon the selling price of tangible
18 personal property purchased by him at retail from a retailer,
19 but as to which the tax imposed by this Act was not collected
20 from the retailer filing such return, and such retailer shall
21 remit the amount of such tax to the Department when filing such
22 return.

23 If experience indicates such action to be practicable, the
24 Department may prescribe and furnish a combination or joint
25 return which will enable retailers, who are required to file
26 returns hereunder and also under the Retailers' Occupation Tax

1 Act, to furnish all the return information required by both
2 Acts on the one form.

3 Where the retailer has more than one business registered
4 with the Department under separate registration under this
5 Act, such retailer may not file each return that is due as a
6 single return covering all such registered businesses, but
7 shall file separate returns for each such registered business.

8 Beginning January 1, 1990, each month the Department shall
9 pay into the State and Local Sales Tax Reform Fund, a special
10 fund in the State Treasury which is hereby created, the net
11 revenue realized for the preceding month from the 1% tax
12 imposed under this Act.

13 Beginning January 1, 1990, each month the Department shall
14 pay into the County and Mass Transit District Fund 4% of the
15 net revenue realized for the preceding month from the 6.25%
16 general rate on the selling price of tangible personal
17 property which is purchased outside Illinois at retail from a
18 retailer and which is titled or registered by an agency of this
19 State's government.

20 Beginning January 1, 1990, each month the Department shall
21 pay into the State and Local Sales Tax Reform Fund, a special
22 fund in the State Treasury, 20% of the net revenue realized for
23 the preceding month from the 6.25% general rate on the selling
24 price of tangible personal property, other than (i) tangible
25 personal property which is purchased outside Illinois at
26 retail from a retailer and which is titled or registered by an

1 agency of this State's government and (ii) aviation fuel sold
2 on or after December 1, 2019. This exception for aviation fuel
3 only applies for so long as the revenue use requirements of 49
4 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

5 For aviation fuel sold on or after December 1, 2019, each
6 month the Department shall pay into the State Aviation Program
7 Fund 20% of the net revenue realized for the preceding month
8 from the 6.25% general rate on the selling price of aviation
9 fuel, less an amount estimated by the Department to be
10 required for refunds of the 20% portion of the tax on aviation
11 fuel under this Act, which amount shall be deposited into the
12 Aviation Fuel Sales Tax Refund Fund. The Department shall only
13 pay moneys into the State Aviation Program Fund and the
14 Aviation Fuels Sales Tax Refund Fund under this Act for so long
15 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
16 U.S.C. 47133 are binding on the State.

17 Beginning August 1, 2000, each month the Department shall
18 pay into the State and Local Sales Tax Reform Fund 100% of the
19 net revenue realized for the preceding month from the 1.25%
20 rate on the selling price of motor fuel and gasohol. If, in any
21 month, the tax on sales tax holiday items, as defined in
22 Section 3-6, is imposed at the rate of 1.25%, then the
23 Department shall pay 100% of the net revenue realized for that
24 month from the 1.25% rate on the selling price of sales tax
25 holiday items into the State and Local Sales Tax Reform Fund.

26 Beginning January 1, 1990, each month the Department shall

1 pay into the Local Government Tax Fund 16% of the net revenue
2 realized for the preceding month from the 6.25% general rate
3 on the selling price of tangible personal property which is
4 purchased outside Illinois at retail from a retailer and which
5 is titled or registered by an agency of this State's
6 government.

7 Beginning October 1, 2009, each month the Department shall
8 pay into the Capital Projects Fund an amount that is equal to
9 an amount estimated by the Department to represent 80% of the
10 net revenue realized for the preceding month from the sale of
11 candy, grooming and hygiene products, and soft drinks that had
12 been taxed at a rate of 1% prior to September 1, 2009 but that
13 are now taxed at 6.25%.

14 Beginning July 1, 2011, each month the Department shall
15 pay into the Clean Air Act Permit Fund 80% of the net revenue
16 realized for the preceding month from the 6.25% general rate
17 on the selling price of sorbents used in Illinois in the
18 process of sorbent injection as used to comply with the
19 Environmental Protection Act or the federal Clean Air Act, but
20 the total payment into the Clean Air Act Permit Fund under this
21 Act and the Retailers' Occupation Tax Act shall not exceed
22 \$2,000,000 in any fiscal year.

23 Beginning July 1, 2013, each month the Department shall
24 pay into the Underground Storage Tank Fund from the proceeds
25 collected under this Act, the Service Use Tax Act, the Service
26 Occupation Tax Act, and the Retailers' Occupation Tax Act an

1 amount equal to the average monthly deficit in the Underground
2 Storage Tank Fund during the prior year, as certified annually
3 by the Illinois Environmental Protection Agency, but the total
4 payment into the Underground Storage Tank Fund under this Act,
5 the Service Use Tax Act, the Service Occupation Tax Act, and
6 the Retailers' Occupation Tax Act shall not exceed \$18,000,000
7 in any State fiscal year. As used in this paragraph, the
8 "average monthly deficit" shall be equal to the difference
9 between the average monthly claims for payment by the fund and
10 the average monthly revenues deposited into the fund,
11 excluding payments made pursuant to this paragraph.

12 Beginning July 1, 2015, of the remainder of the moneys
13 received by the Department under this Act, the Service Use Tax
14 Act, the Service Occupation Tax Act, and the Retailers'
15 Occupation Tax Act, each month the Department shall deposit
16 \$500,000 into the State Crime Laboratory Fund.

17 Of the remainder of the moneys received by the Department
18 pursuant to this Act, (a) 1.75% thereof shall be paid into the
19 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
20 and after July 1, 1989, 3.8% thereof shall be paid into the
21 Build Illinois Fund; provided, however, that if in any fiscal
22 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
23 may be, of the moneys received by the Department and required
24 to be paid into the Build Illinois Fund pursuant to Section 3
25 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
26 Act, Section 9 of the Service Use Tax Act, and Section 9 of the

1 Service Occupation Tax Act, such Acts being hereinafter called
2 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case
3 may be, of moneys being hereinafter called the "Tax Act
4 Amount", and (2) the amount transferred to the Build Illinois
5 Fund from the State and Local Sales Tax Reform Fund shall be
6 less than the Annual Specified Amount (as defined in Section 3
7 of the Retailers' Occupation Tax Act), an amount equal to the
8 difference shall be immediately paid into the Build Illinois
9 Fund from other moneys received by the Department pursuant to
10 the Tax Acts; and further provided, that if on the last
11 business day of any month the sum of (1) the Tax Act Amount
12 required to be deposited into the Build Illinois Bond Account
13 in the Build Illinois Fund during such month and (2) the amount
14 transferred during such month to the Build Illinois Fund from
15 the State and Local Sales Tax Reform Fund shall have been less
16 than 1/12 of the Annual Specified Amount, an amount equal to
17 the difference shall be immediately paid into the Build
18 Illinois Fund from other moneys received by the Department
19 pursuant to the Tax Acts; and, further provided, that in no
20 event shall the payments required under the preceding proviso
21 result in aggregate payments into the Build Illinois Fund
22 pursuant to this clause (b) for any fiscal year in excess of
23 the greater of (i) the Tax Act Amount or (ii) the Annual
24 Specified Amount for such fiscal year; and, further provided,
25 that the amounts payable into the Build Illinois Fund under
26 this clause (b) shall be payable only until such time as the

1 aggregate amount on deposit under each trust indenture
2 securing Bonds issued and outstanding pursuant to the Build
3 Illinois Bond Act is sufficient, taking into account any
4 future investment income, to fully provide, in accordance with
5 such indenture, for the defeasance of or the payment of the
6 principal of, premium, if any, and interest on the Bonds
7 secured by such indenture and on any Bonds expected to be
8 issued thereafter and all fees and costs payable with respect
9 thereto, all as certified by the Director of the Bureau of the
10 Budget (now Governor's Office of Management and Budget). If on
11 the last business day of any month in which Bonds are
12 outstanding pursuant to the Build Illinois Bond Act, the
13 aggregate of the moneys deposited in the Build Illinois Bond
14 Account in the Build Illinois Fund in such month shall be less
15 than the amount required to be transferred in such month from
16 the Build Illinois Bond Account to the Build Illinois Bond
17 Retirement and Interest Fund pursuant to Section 13 of the
18 Build Illinois Bond Act, an amount equal to such deficiency
19 shall be immediately paid from other moneys received by the
20 Department pursuant to the Tax Acts to the Build Illinois
21 Fund; provided, however, that any amounts paid to the Build
22 Illinois Fund in any fiscal year pursuant to this sentence
23 shall be deemed to constitute payments pursuant to clause (b)
24 of the preceding sentence and shall reduce the amount
25 otherwise payable for such fiscal year pursuant to clause (b)
26 of the preceding sentence. The moneys received by the

1 Department pursuant to this Act and required to be deposited
2 into the Build Illinois Fund are subject to the pledge, claim
3 and charge set forth in Section 12 of the Build Illinois Bond
4 Act.

5 Subject to payment of amounts into the Build Illinois Fund
6 as provided in the preceding paragraph or in any amendment
7 thereto hereafter enacted, the following specified monthly
8 installment of the amount requested in the certificate of the
9 Chairman of the Metropolitan Pier and Exposition Authority
10 provided under Section 8.25f of the State Finance Act, but not
11 in excess of the sums designated as "Total Deposit", shall be
12 deposited in the aggregate from collections under Section 9 of
13 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
14 9 of the Service Occupation Tax Act, and Section 3 of the
15 Retailers' Occupation Tax Act into the McCormick Place
16 Expansion Project Fund in the specified fiscal years.

17	Fiscal Year	Total Deposit
18	1993	\$0
19	1994	53,000,000
20	1995	58,000,000
21	1996	61,000,000
22	1997	64,000,000
23	1998	68,000,000
24	1999	71,000,000
25	2000	75,000,000
26	2001	80,000,000

1	2002	93,000,000
2	2003	99,000,000
3	2004	103,000,000
4	2005	108,000,000
5	2006	113,000,000
6	2007	119,000,000
7	2008	126,000,000
8	2009	132,000,000
9	2010	139,000,000
10	2011	146,000,000
11	2012	153,000,000
12	2013	161,000,000
13	2014	170,000,000
14	2015	179,000,000
15	2016	189,000,000
16	2017	199,000,000
17	2018	210,000,000
18	2019	221,000,000
19	2020	233,000,000
20	2021	300,000,000
21	2022	300,000,000
22	2023	300,000,000
23	2024	300,000,000
24	2025	300,000,000
25	2026	300,000,000
26	2027	375,000,000

1	2028	375,000,000
2	2029	375,000,000
3	2030	375,000,000
4	2031	375,000,000
5	2032	375,000,000
6	2033	375,000,000
7	2034	375,000,000
8	2035	375,000,000
9	2036	450,000,000

10 and

11 each fiscal year

12 thereafter that bonds

13 are outstanding under

14 Section 13.2 of the

15 Metropolitan Pier and

16 Exposition Authority Act,

17 but not after fiscal year 2060.

18 Beginning July 20, 1993 and in each month of each fiscal
19 year thereafter, one-eighth of the amount requested in the
20 certificate of the Chairman of the Metropolitan Pier and
21 Exposition Authority for that fiscal year, less the amount
22 deposited into the McCormick Place Expansion Project Fund by
23 the State Treasurer in the respective month under subsection
24 (g) of Section 13 of the Metropolitan Pier and Exposition
25 Authority Act, plus cumulative deficiencies in the deposits
26 required under this Section for previous months and years,

1 shall be deposited into the McCormick Place Expansion Project
2 Fund, until the full amount requested for the fiscal year, but
3 not in excess of the amount specified above as "Total
4 Deposit", has been deposited.

5 Subject to payment of amounts into the Capital Projects
6 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
7 and the McCormick Place Expansion Project Fund pursuant to the
8 preceding paragraphs or in any amendments thereto hereafter
9 enacted, for aviation fuel sold on or after December 1, 2019,
10 the Department shall each month deposit into the Aviation Fuel
11 Sales Tax Refund Fund an amount estimated by the Department to
12 be required for refunds of the 80% portion of the tax on
13 aviation fuel under this Act. The Department shall only
14 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
15 under this paragraph for so long as the revenue use
16 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
17 binding on the State.

18 Subject to payment of amounts into the Build Illinois Fund
19 and the McCormick Place Expansion Project Fund pursuant to the
20 preceding paragraphs or in any amendments thereto hereafter
21 enacted, beginning July 1, 1993 and ending on September 30,
22 2013, the Department shall each month pay into the Illinois
23 Tax Increment Fund 0.27% of 80% of the net revenue realized for
24 the preceding month from the 6.25% general rate on the selling
25 price of tangible personal property.

26 Subject to payment of amounts into the Build Illinois

1 Fund, the McCormick Place Expansion Project Fund, the Illinois
2 Tax Increment Fund, and the Energy Infrastructure Fund
3 pursuant to the preceding paragraphs or in any amendments to
4 this Section hereafter enacted, beginning on the first day of
5 the first calendar month to occur on or after August 26, 2014
6 (the effective date of Public Act 98-1098), each month, from
7 the collections made under Section 9 of the Use Tax Act,
8 Section 9 of the Service Use Tax Act, Section 9 of the Service
9 Occupation Tax Act, and Section 3 of the Retailers' Occupation
10 Tax Act, the Department shall pay into the Tax Compliance and
11 Administration Fund, to be used, subject to appropriation, to
12 fund additional auditors and compliance personnel at the
13 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
14 the cash receipts collected during the preceding fiscal year
15 by the Audit Bureau of the Department under the Use Tax Act,
16 the Service Use Tax Act, the Service Occupation Tax Act, the
17 Retailers' Occupation Tax Act, and associated local occupation
18 and use taxes administered by the Department.

19 Subject to payments of amounts into the Build Illinois
20 Fund, the McCormick Place Expansion Project Fund, the Illinois
21 Tax Increment Fund, and the Tax Compliance and Administration
22 Fund as provided in this Section, beginning on July 1, 2018 the
23 Department shall pay each month into the Downstate Public
24 Transportation Fund the moneys required to be so paid under
25 Section 2-3 of the Downstate Public Transportation Act.

26 Subject to successful execution and delivery of a

1 public-private agreement between the public agency and private
2 entity and completion of the civic build, beginning on July 1,
3 2023, of the remainder of the moneys received by the
4 Department under the Use Tax Act, the Service Use Tax Act, the
5 Service Occupation Tax Act, and this Act, the Department shall
6 deposit the following specified deposits in the aggregate from
7 collections under the Use Tax Act, the Service Use Tax Act, the
8 Service Occupation Tax Act, and the Retailers' Occupation Tax
9 Act, as required under Section 8.25g of the State Finance Act
10 for distribution consistent with the Public-Private
11 Partnership for Civic and Transit Infrastructure Project Act.
12 The moneys received by the Department pursuant to this Act and
13 required to be deposited into the Civic and Transit
14 Infrastructure Fund are subject to the pledge, claim, and
15 charge set forth in Section 25-55 of the Public-Private
16 Partnership for Civic and Transit Infrastructure Project Act.
17 As used in this paragraph, "civic build", "private entity",
18 "public-private agreement", and "public agency" have the
19 meanings provided in Section 25-10 of the Public-Private
20 Partnership for Civic and Transit Infrastructure Project Act.

21	Fiscal Year.....	Total Deposit
22	2024	\$200,000,000
23	2025	\$206,000,000
24	2026	\$212,200,000
25	2027	\$218,500,000
26	2028	\$225,100,000

1	2029	.....	\$288,700,000
2	2030	.....	\$298,900,000
3	2031	.....	\$309,300,000
4	2032	.....	\$320,100,000
5	2033	.....	\$331,200,000
6	2034	.....	\$341,200,000
7	2035	.....	\$351,400,000
8	2036	.....	\$361,900,000
9	2037	.....	\$372,800,000
10	2038	.....	\$384,000,000
11	2039	.....	\$395,500,000
12	2040	.....	\$407,400,000
13	2041	.....	\$419,600,000
14	2042	.....	\$432,200,000
15	2043	.....	\$445,100,000

16 Beginning July 1, 2021 and until July 1, 2022, subject to
17 the payment of amounts into the State and Local Sales Tax
18 Reform Fund, the Build Illinois Fund, the McCormick Place
19 Expansion Project Fund, the Illinois Tax Increment Fund, and
20 the Tax Compliance and Administration Fund as provided in this
21 Section, the Department shall pay each month into the Road
22 Fund the amount estimated to represent 16% of the net revenue
23 realized from the taxes imposed on motor fuel and gasohol.
24 Beginning July 1, 2022 and until July 1, 2023, subject to the
25 payment of amounts into the State and Local Sales Tax Reform
26 Fund, the Build Illinois Fund, the McCormick Place Expansion

1 Project Fund, the Illinois Tax Increment Fund, and the Tax
2 Compliance and Administration Fund as provided in this
3 Section, the Department shall pay each month into the Road
4 Fund the amount estimated to represent 32% of the net revenue
5 realized from the taxes imposed on motor fuel and gasohol.
6 Beginning July 1, 2023 and until July 1, 2024, subject to the
7 payment of amounts into the State and Local Sales Tax Reform
8 Fund, the Build Illinois Fund, the McCormick Place Expansion
9 Project Fund, the Illinois Tax Increment Fund, and the Tax
10 Compliance and Administration Fund as provided in this
11 Section, the Department shall pay each month into the Road
12 Fund the amount estimated to represent 48% of the net revenue
13 realized from the taxes imposed on motor fuel and gasohol.
14 Beginning July 1, 2024 and until July 1, 2025, subject to the
15 payment of amounts into the State and Local Sales Tax Reform
16 Fund, the Build Illinois Fund, the McCormick Place Expansion
17 Project Fund, the Illinois Tax Increment Fund, and the Tax
18 Compliance and Administration Fund as provided in this
19 Section, the Department shall pay each month into the Road
20 Fund the amount estimated to represent 64% of the net revenue
21 realized from the taxes imposed on motor fuel and gasohol.
22 Beginning on July 1, 2025, subject to the payment of amounts
23 into the State and Local Sales Tax Reform Fund, the Build
24 Illinois Fund, the McCormick Place Expansion Project Fund, the
25 Illinois Tax Increment Fund, and the Tax Compliance and
26 Administration Fund as provided in this Section, the

1 Department shall pay each month into the Road Fund the amount
2 estimated to represent 80% of the net revenue realized from
3 the taxes imposed on motor fuel and gasohol. As used in this
4 paragraph "motor fuel" has the meaning given to that term in
5 Section 1.1 of the Motor Fuel Tax Law, and "gasohol" has the
6 meaning given to that term in Section 3-40 of this Act.

7 Of the remainder of the moneys received by the Department
8 pursuant to this Act, 75% thereof shall be paid into the State
9 Treasury and 25% shall be reserved in a special account and
10 used only for the transfer to the Common School Fund as part of
11 the monthly transfer from the General Revenue Fund in
12 accordance with Section 8a of the State Finance Act.

13 As soon as possible after the first day of each month, upon
14 certification of the Department of Revenue, the Comptroller
15 shall order transferred and the Treasurer shall transfer from
16 the General Revenue Fund to the Motor Fuel Tax Fund an amount
17 equal to 1.7% of 80% of the net revenue realized under this Act
18 for the second preceding month. Beginning April 1, 2000, this
19 transfer is no longer required and shall not be made.

20 Net revenue realized for a month shall be the revenue
21 collected by the State pursuant to this Act, less the amount
22 paid out during that month as refunds to taxpayers for
23 overpayment of liability.

24 For greater simplicity of administration, manufacturers,
25 importers and wholesalers whose products are sold at retail in
26 Illinois by numerous retailers, and who wish to do so, may

1 assume the responsibility for accounting and paying to the
2 Department all tax accruing under this Act with respect to
3 such sales, if the retailers who are affected do not make
4 written objection to the Department to this arrangement.

5 (Source: P.A. 102-700, Article 60, Section 60-15, eff.
6 4-19-22; 102-700, Article 65, Section 65-5, eff. 4-19-22;
7 102-1019, eff. 1-1-23; 103-154, eff. 6-30-23; 103-363, eff.
8 7-28-23.)

9 Section 800-15. The Service Use Tax Act is amended by
10 changing Section 9 as follows:

11 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

12 Sec. 9. Each serviceman required or authorized to collect
13 the tax herein imposed shall pay to the Department the amount
14 of such tax (except as otherwise provided) at the time when he
15 is required to file his return for the period during which such
16 tax was collected, less a discount of 2.1% prior to January 1,
17 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar
18 year, whichever is greater, which is allowed to reimburse the
19 serviceman for expenses incurred in collecting the tax,
20 keeping records, preparing and filing returns, remitting the
21 tax and supplying data to the Department on request. When
22 determining the discount allowed under this Section,
23 servicemen shall include the amount of tax that would have
24 been due at the 1% rate but for the 0% rate imposed under this

1 amendatory Act of the 102nd General Assembly. The discount
2 under this Section is not allowed for the 1.25% portion of
3 taxes paid on aviation fuel that is subject to the revenue use
4 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. The
5 discount allowed under this Section is allowed only for
6 returns that are filed in the manner required by this Act. The
7 Department may disallow the discount for servicemen whose
8 certificate of registration is revoked at the time the return
9 is filed, but only if the Department's decision to revoke the
10 certificate of registration has become final. A serviceman
11 need not remit that part of any tax collected by him to the
12 extent that he is required to pay and does pay the tax imposed
13 by the Service Occupation Tax Act with respect to his sale of
14 service involving the incidental transfer by him of the same
15 property.

16 Except as provided hereinafter in this Section, on or
17 before the twentieth day of each calendar month, such
18 serviceman shall file a return for the preceding calendar
19 month in accordance with reasonable Rules and Regulations to
20 be promulgated by the Department. Such return shall be filed
21 on a form prescribed by the Department and shall contain such
22 information as the Department may reasonably require. The
23 return shall include the gross receipts which were received
24 during the preceding calendar month or quarter on the
25 following items upon which tax would have been due but for the
26 0% rate imposed under this amendatory Act of the 102nd General

1 Assembly: (i) food for human consumption that is to be
2 consumed off the premises where it is sold (other than
3 alcoholic beverages, food consisting of or infused with adult
4 use cannabis, soft drinks, and food that has been prepared for
5 immediate consumption); and (ii) food prepared for immediate
6 consumption and transferred incident to a sale of service
7 subject to this Act or the Service Occupation Tax Act by an
8 entity licensed under the Hospital Licensing Act, the Nursing
9 Home Care Act, the Assisted Living and Shared Housing Act, the
10 ID/DD Community Care Act, the MC/DD Act, the Specialized
11 Mental Health Rehabilitation Act of 2013, or the Child Care
12 Act of 1969, or an entity that holds a permit issued pursuant
13 to the Life Care Facilities Act. The return shall also include
14 the amount of tax that would have been due on the items listed
15 in the previous sentence but for the 0% rate imposed under this
16 amendatory Act of the 102nd General Assembly.

17 On and after January 1, 2018, with respect to servicemen
18 whose annual gross receipts average \$20,000 or more, all
19 returns required to be filed pursuant to this Act shall be
20 filed electronically. Servicemen who demonstrate that they do
21 not have access to the Internet or demonstrate hardship in
22 filing electronically may petition the Department to waive the
23 electronic filing requirement.

24 The Department may require returns to be filed on a
25 quarterly basis. If so required, a return for each calendar
26 quarter shall be filed on or before the twentieth day of the

1 calendar month following the end of such calendar quarter. The
2 taxpayer shall also file a return with the Department for each
3 of the first two months of each calendar quarter, on or before
4 the twentieth day of the following calendar month, stating:

5 1. The name of the seller;

6 2. The address of the principal place of business from
7 which he engages in business as a serviceman in this
8 State;

9 3. The total amount of taxable receipts received by
10 him during the preceding calendar month, including
11 receipts from charge and time sales, but less all
12 deductions allowed by law;

13 4. The amount of credit provided in Section 2d of this
14 Act;

15 5. The amount of tax due;

16 5-5. The signature of the taxpayer; and

17 6. Such other reasonable information as the Department
18 may require.

19 Each serviceman required or authorized to collect the tax
20 imposed by this Act on aviation fuel transferred as an
21 incident of a sale of service in this State during the
22 preceding calendar month shall, instead of reporting and
23 paying tax on aviation fuel as otherwise required by this
24 Section, report and pay such tax on a separate aviation fuel
25 tax return. The requirements related to the return shall be as
26 otherwise provided in this Section. Notwithstanding any other

1 provisions of this Act to the contrary, servicemen collecting
2 tax on aviation fuel shall file all aviation fuel tax returns
3 and shall make all aviation fuel tax payments by electronic
4 means in the manner and form required by the Department. For
5 purposes of this Section, "aviation fuel" means jet fuel and
6 aviation gasoline.

7 If a taxpayer fails to sign a return within 30 days after
8 the proper notice and demand for signature by the Department,
9 the return shall be considered valid and any amount shown to be
10 due on the return shall be deemed assessed.

11 Notwithstanding any other provision of this Act to the
12 contrary, servicemen subject to tax on cannabis shall file all
13 cannabis tax returns and shall make all cannabis tax payments
14 by electronic means in the manner and form required by the
15 Department.

16 Notwithstanding any other provision of this Act to the
17 contrary, retailers subject to tax on hemp concentrate,
18 intermediate hemp products, or hemp concentrate derived
19 products shall file all tax returns and shall make all tax
20 payments on hemp concentrate, intermediate hemp products, and
21 hemp concentrate derived products by electronic means in the
22 manner and form required by the Department.

23 Beginning October 1, 1993, a taxpayer who has an average
24 monthly tax liability of \$150,000 or more shall make all
25 payments required by rules of the Department by electronic
26 funds transfer. Beginning October 1, 1994, a taxpayer who has

1 an average monthly tax liability of \$100,000 or more shall
2 make all payments required by rules of the Department by
3 electronic funds transfer. Beginning October 1, 1995, a
4 taxpayer who has an average monthly tax liability of \$50,000
5 or more shall make all payments required by rules of the
6 Department by electronic funds transfer. Beginning October 1,
7 2000, a taxpayer who has an annual tax liability of \$200,000 or
8 more shall make all payments required by rules of the
9 Department by electronic funds transfer. The term "annual tax
10 liability" shall be the sum of the taxpayer's liabilities
11 under this Act, and under all other State and local occupation
12 and use tax laws administered by the Department, for the
13 immediately preceding calendar year. The term "average monthly
14 tax liability" means the sum of the taxpayer's liabilities
15 under this Act, and under all other State and local occupation
16 and use tax laws administered by the Department, for the
17 immediately preceding calendar year divided by 12. Beginning
18 on October 1, 2002, a taxpayer who has a tax liability in the
19 amount set forth in subsection (b) of Section 2505-210 of the
20 Department of Revenue Law shall make all payments required by
21 rules of the Department by electronic funds transfer.

22 Before August 1 of each year beginning in 1993, the
23 Department shall notify all taxpayers required to make
24 payments by electronic funds transfer. All taxpayers required
25 to make payments by electronic funds transfer shall make those
26 payments for a minimum of one year beginning on October 1.

1 Any taxpayer not required to make payments by electronic
2 funds transfer may make payments by electronic funds transfer
3 with the permission of the Department.

4 All taxpayers required to make payment by electronic funds
5 transfer and any taxpayers authorized to voluntarily make
6 payments by electronic funds transfer shall make those
7 payments in the manner authorized by the Department.

8 The Department shall adopt such rules as are necessary to
9 effectuate a program of electronic funds transfer and the
10 requirements of this Section.

11 If the serviceman is otherwise required to file a monthly
12 return and if the serviceman's average monthly tax liability
13 to the Department does not exceed \$200, the Department may
14 authorize his returns to be filed on a quarter annual basis,
15 with the return for January, February and March of a given year
16 being due by April 20 of such year; with the return for April,
17 May and June of a given year being due by July 20 of such year;
18 with the return for July, August and September of a given year
19 being due by October 20 of such year, and with the return for
20 October, November and December of a given year being due by
21 January 20 of the following year.

22 If the serviceman is otherwise required to file a monthly
23 or quarterly return and if the serviceman's average monthly
24 tax liability to the Department does not exceed \$50, the
25 Department may authorize his returns to be filed on an annual
26 basis, with the return for a given year being due by January 20

1 of the following year.

2 Such quarter annual and annual returns, as to form and
3 substance, shall be subject to the same requirements as
4 monthly returns.

5 Notwithstanding any other provision in this Act concerning
6 the time within which a serviceman may file his return, in the
7 case of any serviceman who ceases to engage in a kind of
8 business which makes him responsible for filing returns under
9 this Act, such serviceman shall file a final return under this
10 Act with the Department not more than 1 month after
11 discontinuing such business.

12 Where a serviceman collects the tax with respect to the
13 selling price of property which he sells and the purchaser
14 thereafter returns such property and the serviceman refunds
15 the selling price thereof to the purchaser, such serviceman
16 shall also refund, to the purchaser, the tax so collected from
17 the purchaser. When filing his return for the period in which
18 he refunds such tax to the purchaser, the serviceman may
19 deduct the amount of the tax so refunded by him to the
20 purchaser from any other Service Use Tax, Service Occupation
21 Tax, retailers' occupation tax or use tax which such
22 serviceman may be required to pay or remit to the Department,
23 as shown by such return, provided that the amount of the tax to
24 be deducted shall previously have been remitted to the
25 Department by such serviceman. If the serviceman shall not
26 previously have remitted the amount of such tax to the

1 Department, he shall be entitled to no deduction hereunder
2 upon refunding such tax to the purchaser.

3 Any serviceman filing a return hereunder shall also
4 include the total tax upon the selling price of tangible
5 personal property purchased for use by him as an incident to a
6 sale of service, and such serviceman shall remit the amount of
7 such tax to the Department when filing such return.

8 If experience indicates such action to be practicable, the
9 Department may prescribe and furnish a combination or joint
10 return which will enable servicemen, who are required to file
11 returns hereunder and also under the Service Occupation Tax
12 Act, to furnish all the return information required by both
13 Acts on the one form.

14 Where the serviceman has more than one business registered
15 with the Department under separate registration hereunder,
16 such serviceman shall not file each return that is due as a
17 single return covering all such registered businesses, but
18 shall file separate returns for each such registered business.

19 Beginning January 1, 1990, each month the Department shall
20 pay into the State and Local Tax Reform Fund, a special fund in
21 the State Treasury, the net revenue realized for the preceding
22 month from the 1% tax imposed under this Act.

23 Beginning January 1, 1990, each month the Department shall
24 pay into the State and Local Sales Tax Reform Fund 20% of the
25 net revenue realized for the preceding month from the 6.25%
26 general rate on transfers of tangible personal property, other

1 than (i) tangible personal property which is purchased outside
2 Illinois at retail from a retailer and which is titled or
3 registered by an agency of this State's government and (ii)
4 aviation fuel sold on or after December 1, 2019. This
5 exception for aviation fuel only applies for so long as the
6 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
7 47133 are binding on the State.

8 For aviation fuel sold on or after December 1, 2019, each
9 month the Department shall pay into the State Aviation Program
10 Fund 20% of the net revenue realized for the preceding month
11 from the 6.25% general rate on the selling price of aviation
12 fuel, less an amount estimated by the Department to be
13 required for refunds of the 20% portion of the tax on aviation
14 fuel under this Act, which amount shall be deposited into the
15 Aviation Fuel Sales Tax Refund Fund. The Department shall only
16 pay moneys into the State Aviation Program Fund and the
17 Aviation Fuel Sales Tax Refund Fund under this Act for so long
18 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
19 U.S.C. 47133 are binding on the State.

20 Beginning August 1, 2000, each month the Department shall
21 pay into the State and Local Sales Tax Reform Fund 100% of the
22 net revenue realized for the preceding month from the 1.25%
23 rate on the selling price of motor fuel and gasohol.

24 Beginning October 1, 2009, each month the Department shall
25 pay into the Capital Projects Fund an amount that is equal to
26 an amount estimated by the Department to represent 80% of the

1 net revenue realized for the preceding month from the sale of
2 candy, grooming and hygiene products, and soft drinks that had
3 been taxed at a rate of 1% prior to September 1, 2009 but that
4 are now taxed at 6.25%.

5 Beginning July 1, 2013, each month the Department shall
6 pay into the Underground Storage Tank Fund from the proceeds
7 collected under this Act, the Use Tax Act, the Service
8 Occupation Tax Act, and the Retailers' Occupation Tax Act an
9 amount equal to the average monthly deficit in the Underground
10 Storage Tank Fund during the prior year, as certified annually
11 by the Illinois Environmental Protection Agency, but the total
12 payment into the Underground Storage Tank Fund under this Act,
13 the Use Tax Act, the Service Occupation Tax Act, and the
14 Retailers' Occupation Tax Act shall not exceed \$18,000,000 in
15 any State fiscal year. As used in this paragraph, the "average
16 monthly deficit" shall be equal to the difference between the
17 average monthly claims for payment by the fund and the average
18 monthly revenues deposited into the fund, excluding payments
19 made pursuant to this paragraph.

20 Beginning July 1, 2015, of the remainder of the moneys
21 received by the Department under the Use Tax Act, this Act, the
22 Service Occupation Tax Act, and the Retailers' Occupation Tax
23 Act, each month the Department shall deposit \$500,000 into the
24 State Crime Laboratory Fund.

25 Of the remainder of the moneys received by the Department
26 pursuant to this Act, (a) 1.75% thereof shall be paid into the

1 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
2 and after July 1, 1989, 3.8% thereof shall be paid into the
3 Build Illinois Fund; provided, however, that if in any fiscal
4 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
5 may be, of the moneys received by the Department and required
6 to be paid into the Build Illinois Fund pursuant to Section 3
7 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
8 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
9 Service Occupation Tax Act, such Acts being hereinafter called
10 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case
11 may be, of moneys being hereinafter called the "Tax Act
12 Amount", and (2) the amount transferred to the Build Illinois
13 Fund from the State and Local Sales Tax Reform Fund shall be
14 less than the Annual Specified Amount (as defined in Section 3
15 of the Retailers' Occupation Tax Act), an amount equal to the
16 difference shall be immediately paid into the Build Illinois
17 Fund from other moneys received by the Department pursuant to
18 the Tax Acts; and further provided, that if on the last
19 business day of any month the sum of (1) the Tax Act Amount
20 required to be deposited into the Build Illinois Bond Account
21 in the Build Illinois Fund during such month and (2) the amount
22 transferred during such month to the Build Illinois Fund from
23 the State and Local Sales Tax Reform Fund shall have been less
24 than 1/12 of the Annual Specified Amount, an amount equal to
25 the difference shall be immediately paid into the Build
26 Illinois Fund from other moneys received by the Department

1 pursuant to the Tax Acts; and, further provided, that in no
2 event shall the payments required under the preceding proviso
3 result in aggregate payments into the Build Illinois Fund
4 pursuant to this clause (b) for any fiscal year in excess of
5 the greater of (i) the Tax Act Amount or (ii) the Annual
6 Specified Amount for such fiscal year; and, further provided,
7 that the amounts payable into the Build Illinois Fund under
8 this clause (b) shall be payable only until such time as the
9 aggregate amount on deposit under each trust indenture
10 securing Bonds issued and outstanding pursuant to the Build
11 Illinois Bond Act is sufficient, taking into account any
12 future investment income, to fully provide, in accordance with
13 such indenture, for the defeasance of or the payment of the
14 principal of, premium, if any, and interest on the Bonds
15 secured by such indenture and on any Bonds expected to be
16 issued thereafter and all fees and costs payable with respect
17 thereto, all as certified by the Director of the Bureau of the
18 Budget (now Governor's Office of Management and Budget). If on
19 the last business day of any month in which Bonds are
20 outstanding pursuant to the Build Illinois Bond Act, the
21 aggregate of the moneys deposited in the Build Illinois Bond
22 Account in the Build Illinois Fund in such month shall be less
23 than the amount required to be transferred in such month from
24 the Build Illinois Bond Account to the Build Illinois Bond
25 Retirement and Interest Fund pursuant to Section 13 of the
26 Build Illinois Bond Act, an amount equal to such deficiency

1 shall be immediately paid from other moneys received by the
2 Department pursuant to the Tax Acts to the Build Illinois
3 Fund; provided, however, that any amounts paid to the Build
4 Illinois Fund in any fiscal year pursuant to this sentence
5 shall be deemed to constitute payments pursuant to clause (b)
6 of the preceding sentence and shall reduce the amount
7 otherwise payable for such fiscal year pursuant to clause (b)
8 of the preceding sentence. The moneys received by the
9 Department pursuant to this Act and required to be deposited
10 into the Build Illinois Fund are subject to the pledge, claim
11 and charge set forth in Section 12 of the Build Illinois Bond
12 Act.

13 Subject to payment of amounts into the Build Illinois Fund
14 as provided in the preceding paragraph or in any amendment
15 thereto hereafter enacted, the following specified monthly
16 installment of the amount requested in the certificate of the
17 Chairman of the Metropolitan Pier and Exposition Authority
18 provided under Section 8.25f of the State Finance Act, but not
19 in excess of the sums designated as "Total Deposit", shall be
20 deposited in the aggregate from collections under Section 9 of
21 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
22 9 of the Service Occupation Tax Act, and Section 3 of the
23 Retailers' Occupation Tax Act into the McCormick Place
24 Expansion Project Fund in the specified fiscal years.

25 Fiscal Year

Total Deposit

1	1993	\$0
2	1994	53,000,000
3	1995	58,000,000
4	1996	61,000,000
5	1997	64,000,000
6	1998	68,000,000
7	1999	71,000,000
8	2000	75,000,000
9	2001	80,000,000
10	2002	93,000,000
11	2003	99,000,000
12	2004	103,000,000
13	2005	108,000,000
14	2006	113,000,000
15	2007	119,000,000
16	2008	126,000,000
17	2009	132,000,000
18	2010	139,000,000
19	2011	146,000,000
20	2012	153,000,000
21	2013	161,000,000
22	2014	170,000,000
23	2015	179,000,000
24	2016	189,000,000
25	2017	199,000,000
26	2018	210,000,000

1	2019	221,000,000
2	2020	233,000,000
3	2021	300,000,000
4	2022	300,000,000
5	2023	300,000,000
6	2024	300,000,000
7	2025	300,000,000
8	2026	300,000,000
9	2027	375,000,000
10	2028	375,000,000
11	2029	375,000,000
12	2030	375,000,000
13	2031	375,000,000
14	2032	375,000,000
15	2033	375,000,000
16	2034	375,000,000
17	2035	375,000,000
18	2036	450,000,000

19 and
20 each fiscal year
21 thereafter that bonds
22 are outstanding under
23 Section 13.2 of the
24 Metropolitan Pier and
25 Exposition Authority Act,
26 but not after fiscal year 2060.

1 Beginning July 20, 1993 and in each month of each fiscal
2 year thereafter, one-eighth of the amount requested in the
3 certificate of the Chairman of the Metropolitan Pier and
4 Exposition Authority for that fiscal year, less the amount
5 deposited into the McCormick Place Expansion Project Fund by
6 the State Treasurer in the respective month under subsection
7 (g) of Section 13 of the Metropolitan Pier and Exposition
8 Authority Act, plus cumulative deficiencies in the deposits
9 required under this Section for previous months and years,
10 shall be deposited into the McCormick Place Expansion Project
11 Fund, until the full amount requested for the fiscal year, but
12 not in excess of the amount specified above as "Total
13 Deposit", has been deposited.

14 Subject to payment of amounts into the Capital Projects
15 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
16 and the McCormick Place Expansion Project Fund pursuant to the
17 preceding paragraphs or in any amendments thereto hereafter
18 enacted, for aviation fuel sold on or after December 1, 2019,
19 the Department shall each month deposit into the Aviation Fuel
20 Sales Tax Refund Fund an amount estimated by the Department to
21 be required for refunds of the 80% portion of the tax on
22 aviation fuel under this Act. The Department shall only
23 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
24 under this paragraph for so long as the revenue use
25 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
26 binding on the State.

1 Subject to payment of amounts into the Build Illinois Fund
2 and the McCormick Place Expansion Project Fund pursuant to the
3 preceding paragraphs or in any amendments thereto hereafter
4 enacted, beginning July 1, 1993 and ending on September 30,
5 2013, the Department shall each month pay into the Illinois
6 Tax Increment Fund 0.27% of 80% of the net revenue realized for
7 the preceding month from the 6.25% general rate on the selling
8 price of tangible personal property.

9 Subject to payment of amounts into the Build Illinois
10 Fund, the McCormick Place Expansion Project Fund, the Illinois
11 Tax Increment Fund, pursuant to the preceding paragraphs or in
12 any amendments to this Section hereafter enacted, beginning on
13 the first day of the first calendar month to occur on or after
14 August 26, 2014 (the effective date of Public Act 98-1098),
15 each month, from the collections made under Section 9 of the
16 Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of
17 the Service Occupation Tax Act, and Section 3 of the
18 Retailers' Occupation Tax Act, the Department shall pay into
19 the Tax Compliance and Administration Fund, to be used,
20 subject to appropriation, to fund additional auditors and
21 compliance personnel at the Department of Revenue, an amount
22 equal to 1/12 of 5% of 80% of the cash receipts collected
23 during the preceding fiscal year by the Audit Bureau of the
24 Department under the Use Tax Act, the Service Use Tax Act, the
25 Service Occupation Tax Act, the Retailers' Occupation Tax Act,
26 and associated local occupation and use taxes administered by

1 the Department.

2 Subject to payments of amounts into the Build Illinois
3 Fund, the McCormick Place Expansion Project Fund, the Illinois
4 Tax Increment Fund, and the Tax Compliance and Administration
5 Fund as provided in this Section, beginning on July 1, 2018 the
6 Department shall pay each month into the Downstate Public
7 Transportation Fund the moneys required to be so paid under
8 Section 2-3 of the Downstate Public Transportation Act.

9 Subject to successful execution and delivery of a
10 public-private agreement between the public agency and private
11 entity and completion of the civic build, beginning on July 1,
12 2023, of the remainder of the moneys received by the
13 Department under the Use Tax Act, the Service Use Tax Act, the
14 Service Occupation Tax Act, and this Act, the Department shall
15 deposit the following specified deposits in the aggregate from
16 collections under the Use Tax Act, the Service Use Tax Act, the
17 Service Occupation Tax Act, and the Retailers' Occupation Tax
18 Act, as required under Section 8.25g of the State Finance Act
19 for distribution consistent with the Public-Private
20 Partnership for Civic and Transit Infrastructure Project Act.
21 The moneys received by the Department pursuant to this Act and
22 required to be deposited into the Civic and Transit
23 Infrastructure Fund are subject to the pledge, claim, and
24 charge set forth in Section 25-55 of the Public-Private
25 Partnership for Civic and Transit Infrastructure Project Act.
26 As used in this paragraph, "civic build", "private entity",

1 "public-private agreement", and "public agency" have the
 2 meanings provided in Section 25-10 of the Public-Private
 3 Partnership for Civic and Transit Infrastructure Project Act.

4	Fiscal Year.....	Total Deposit
5	2024	\$200,000,000
6	2025	\$206,000,000
7	2026	\$212,200,000
8	2027	\$218,500,000
9	2028	\$225,100,000
10	2029	\$288,700,000
11	2030	\$298,900,000
12	2031	\$309,300,000
13	2032	\$320,100,000
14	2033	\$331,200,000
15	2034	\$341,200,000
16	2035	\$351,400,000
17	2036	\$361,900,000
18	2037	\$372,800,000
19	2038	\$384,000,000
20	2039	\$395,500,000
21	2040	\$407,400,000
22	2041	\$419,600,000
23	2042	\$432,200,000
24	2043	\$445,100,000

25 Beginning July 1, 2021 and until July 1, 2022, subject to
 26 the payment of amounts into the State and Local Sales Tax

1 Reform Fund, the Build Illinois Fund, the McCormick Place
2 Expansion Project Fund, the Energy Infrastructure Fund, and
3 the Tax Compliance and Administration Fund as provided in this
4 Section, the Department shall pay each month into the Road
5 Fund the amount estimated to represent 16% of the net revenue
6 realized from the taxes imposed on motor fuel and gasohol.
7 Beginning July 1, 2022 and until July 1, 2023, subject to the
8 payment of amounts into the State and Local Sales Tax Reform
9 Fund, the Build Illinois Fund, the McCormick Place Expansion
10 Project Fund, the Illinois Tax Increment Fund, and the Tax
11 Compliance and Administration Fund as provided in this
12 Section, the Department shall pay each month into the Road
13 Fund the amount estimated to represent 32% of the net revenue
14 realized from the taxes imposed on motor fuel and gasohol.
15 Beginning July 1, 2023 and until July 1, 2024, subject to the
16 payment of amounts into the State and Local Sales Tax Reform
17 Fund, the Build Illinois Fund, the McCormick Place Expansion
18 Project Fund, the Illinois Tax Increment Fund, and the Tax
19 Compliance and Administration Fund as provided in this
20 Section, the Department shall pay each month into the Road
21 Fund the amount estimated to represent 48% of the net revenue
22 realized from the taxes imposed on motor fuel and gasohol.
23 Beginning July 1, 2024 and until July 1, 2025, subject to the
24 payment of amounts into the State and Local Sales Tax Reform
25 Fund, the Build Illinois Fund, the McCormick Place Expansion
26 Project Fund, the Illinois Tax Increment Fund, and the Tax

1 Compliance and Administration Fund as provided in this
2 Section, the Department shall pay each month into the Road
3 Fund the amount estimated to represent 64% of the net revenue
4 realized from the taxes imposed on motor fuel and gasohol.
5 Beginning on July 1, 2025, subject to the payment of amounts
6 into the State and Local Sales Tax Reform Fund, the Build
7 Illinois Fund, the McCormick Place Expansion Project Fund, the
8 Illinois Tax Increment Fund, and the Tax Compliance and
9 Administration Fund as provided in this Section, the
10 Department shall pay each month into the Road Fund the amount
11 estimated to represent 80% of the net revenue realized from
12 the taxes imposed on motor fuel and gasohol. As used in this
13 paragraph "motor fuel" has the meaning given to that term in
14 Section 1.1 of the Motor Fuel Tax Law, and "gasohol" has the
15 meaning given to that term in Section 3-40 of the Use Tax Act.

16 Of the remainder of the moneys received by the Department
17 pursuant to this Act, 75% thereof shall be paid into the
18 General Revenue Fund of the State Treasury and 25% shall be
19 reserved in a special account and used only for the transfer to
20 the Common School Fund as part of the monthly transfer from the
21 General Revenue Fund in accordance with Section 8a of the
22 State Finance Act.

23 As soon as possible after the first day of each month, upon
24 certification of the Department of Revenue, the Comptroller
25 shall order transferred and the Treasurer shall transfer from
26 the General Revenue Fund to the Motor Fuel Tax Fund an amount

1 equal to 1.7% of 80% of the net revenue realized under this Act
2 for the second preceding month. Beginning April 1, 2000, this
3 transfer is no longer required and shall not be made.

4 Net revenue realized for a month shall be the revenue
5 collected by the State pursuant to this Act, less the amount
6 paid out during that month as refunds to taxpayers for
7 overpayment of liability.

8 (Source: P.A. 102-700, eff. 4-19-22; 103-363, eff. 7-28-23.)

9 Section 800-20. The Service Occupation Tax Act is amended
10 by changing Section 9 as follows:

11 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

12 Sec. 9. Each serviceman required or authorized to collect
13 the tax herein imposed shall pay to the Department the amount
14 of such tax at the time when he is required to file his return
15 for the period during which such tax was collectible, less a
16 discount of 2.1% prior to January 1, 1990, and 1.75% on and
17 after January 1, 1990, or \$5 per calendar year, whichever is
18 greater, which is allowed to reimburse the serviceman for
19 expenses incurred in collecting the tax, keeping records,
20 preparing and filing returns, remitting the tax, and supplying
21 data to the Department on request. When determining the
22 discount allowed under this Section, servicemen shall include
23 the amount of tax that would have been due at the 1% rate but
24 for the 0% rate imposed under Public Act 102-700 ~~this~~

1 ~~amendatory Act of the 102nd General Assembly.~~ The discount
2 under this Section is not allowed for the 1.25% portion of
3 taxes paid on aviation fuel that is subject to the revenue use
4 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. The
5 discount allowed under this Section is allowed only for
6 returns that are filed in the manner required by this Act. The
7 Department may disallow the discount for servicemen whose
8 certificate of registration is revoked at the time the return
9 is filed, but only if the Department's decision to revoke the
10 certificate of registration has become final.

11 Where such tangible personal property is sold under a
12 conditional sales contract, or under any other form of sale
13 wherein the payment of the principal sum, or a part thereof, is
14 extended beyond the close of the period for which the return is
15 filed, the serviceman, in collecting the tax may collect, for
16 each tax return period, only the tax applicable to the part of
17 the selling price actually received during such tax return
18 period.

19 Except as provided hereinafter in this Section, on or
20 before the twentieth day of each calendar month, such
21 serviceman shall file a return for the preceding calendar
22 month in accordance with reasonable rules and regulations to
23 be promulgated by the Department of Revenue. Such return shall
24 be filed on a form prescribed by the Department and shall
25 contain such information as the Department may reasonably
26 require. The return shall include the gross receipts which

1 were received during the preceding calendar month or quarter
2 on the following items upon which tax would have been due but
3 for the 0% rate imposed under Public Act 102-700 ~~this~~
4 ~~amendatory Act of the 102nd General Assembly~~: (i) food for
5 human consumption that is to be consumed off the premises
6 where it is sold (other than alcoholic beverages, food
7 consisting of or infused with adult use cannabis, soft drinks,
8 and food that has been prepared for immediate consumption);
9 and (ii) food prepared for immediate consumption and
10 transferred incident to a sale of service subject to this Act
11 or the Service Use Tax Act by an entity licensed under the
12 Hospital Licensing Act, the Nursing Home Care Act, the
13 Assisted Living and Shared Housing Act, the ID/DD Community
14 Care Act, the MC/DD Act, the Specialized Mental Health
15 Rehabilitation Act of 2013, or the Child Care Act of 1969, or
16 an entity that holds a permit issued pursuant to the Life Care
17 Facilities Act. The return shall also include the amount of
18 tax that would have been due on the items listed in the
19 previous sentence but for the 0% rate imposed under Public Act
20 102-700 ~~this amendatory Act of the 102nd General Assembly~~.

21 On and after January 1, 2018, with respect to servicemen
22 whose annual gross receipts average \$20,000 or more, all
23 returns required to be filed pursuant to this Act shall be
24 filed electronically. Servicemen who demonstrate that they do
25 not have access to the Internet or demonstrate hardship in
26 filing electronically may petition the Department to waive the

1 electronic filing requirement.

2 The Department may require returns to be filed on a
3 quarterly basis. If so required, a return for each calendar
4 quarter shall be filed on or before the twentieth day of the
5 calendar month following the end of such calendar quarter. The
6 taxpayer shall also file a return with the Department for each
7 of the first two months of each calendar quarter, on or before
8 the twentieth day of the following calendar month, stating:

9 1. The name of the seller;

10 2. The address of the principal place of business from
11 which he engages in business as a serviceman in this
12 State;

13 3. The total amount of taxable receipts received by
14 him during the preceding calendar month, including
15 receipts from charge and time sales, but less all
16 deductions allowed by law;

17 4. The amount of credit provided in Section 2d of this
18 Act;

19 5. The amount of tax due;

20 5-5. The signature of the taxpayer; and

21 6. Such other reasonable information as the Department
22 may require.

23 Each serviceman required or authorized to collect the tax
24 herein imposed on aviation fuel acquired as an incident to the
25 purchase of a service in this State during the preceding
26 calendar month shall, instead of reporting and paying tax as

1 otherwise required by this Section, report and pay such tax on
2 a separate aviation fuel tax return. The requirements related
3 to the return shall be as otherwise provided in this Section.
4 Notwithstanding any other provisions of this Act to the
5 contrary, servicemen transferring aviation fuel incident to
6 sales of service shall file all aviation fuel tax returns and
7 shall make all aviation fuel tax payments by electronic means
8 in the manner and form required by the Department. For
9 purposes of this Section, "aviation fuel" means jet fuel and
10 aviation gasoline.

11 If a taxpayer fails to sign a return within 30 days after
12 the proper notice and demand for signature by the Department,
13 the return shall be considered valid and any amount shown to be
14 due on the return shall be deemed assessed.

15 Notwithstanding any other provision of this Act to the
16 contrary, servicemen subject to tax on cannabis shall file all
17 cannabis tax returns and shall make all cannabis tax payments
18 by electronic means in the manner and form required by the
19 Department.

20 Notwithstanding any other provision of this Act to the
21 contrary, retailers subject to tax on hemp concentrate,
22 intermediate hemp products, or hemp concentrate derived
23 products shall file all tax returns and shall make all tax
24 payments on hemp concentrate, intermediate hemp products, and
25 hemp concentrate derived products by electronic means in the
26 manner and form required by the Department.

1 Prior to October 1, 2003, and on and after September 1,
2 2004 a serviceman may accept a Manufacturer's Purchase Credit
3 certification from a purchaser in satisfaction of Service Use
4 Tax as provided in Section 3-70 of the Service Use Tax Act if
5 the purchaser provides the appropriate documentation as
6 required by Section 3-70 of the Service Use Tax Act. A
7 Manufacturer's Purchase Credit certification, accepted prior
8 to October 1, 2003 or on or after September 1, 2004 by a
9 serviceman as provided in Section 3-70 of the Service Use Tax
10 Act, may be used by that serviceman to satisfy Service
11 Occupation Tax liability in the amount claimed in the
12 certification, not to exceed 6.25% of the receipts subject to
13 tax from a qualifying purchase. A Manufacturer's Purchase
14 Credit reported on any original or amended return filed under
15 this Act after October 20, 2003 for reporting periods prior to
16 September 1, 2004 shall be disallowed. Manufacturer's Purchase
17 Credit reported on annual returns due on or after January 1,
18 2005 will be disallowed for periods prior to September 1,
19 2004. No Manufacturer's Purchase Credit may be used after
20 September 30, 2003 through August 31, 2004 to satisfy any tax
21 liability imposed under this Act, including any audit
22 liability.

23 Beginning on July 1, 2023 and through December 31, 2032, a
24 serviceman may accept a Sustainable Aviation Fuel Purchase
25 Credit certification from an air common carrier-purchaser in
26 satisfaction of Service Use Tax as provided in Section 3-72 of

1 the Service Use Tax Act if the purchaser provides the
2 appropriate documentation as required by Section 3-72 of the
3 Service Use Tax Act. A Sustainable Aviation Fuel Purchase
4 Credit certification accepted by a serviceman in accordance
5 with this paragraph may be used by that serviceman to satisfy
6 service occupation tax liability (but not in satisfaction of
7 penalty or interest) in the amount claimed in the
8 certification, not to exceed 6.25% of the receipts subject to
9 tax from a sale of aviation fuel. In addition, for a sale of
10 aviation fuel to qualify to earn the Sustainable Aviation Fuel
11 Purchase Credit, servicemen must retain in their books and
12 records a certification from the producer of the aviation fuel
13 that the aviation fuel sold by the serviceman and for which a
14 sustainable aviation fuel purchase credit was earned meets the
15 definition of sustainable aviation fuel under Section 3-72 of
16 the Service Use Tax Act. The documentation must include detail
17 sufficient for the Department to determine the number of
18 gallons of sustainable aviation fuel sold.

19 If the serviceman's average monthly tax liability to the
20 Department does not exceed \$200, the Department may authorize
21 his returns to be filed on a quarter annual basis, with the
22 return for January, February, and March of a given year being
23 due by April 20 of such year; with the return for April, May, and
24 and June of a given year being due by July 20 of such year;
25 with the return for July, August, and September of a given year
26 being due by October 20 of such year, and with the return for

1 October, November, and December of a given year being due by
2 January 20 of the following year.

3 If the serviceman's average monthly tax liability to the
4 Department does not exceed \$50, the Department may authorize
5 his returns to be filed on an annual basis, with the return for
6 a given year being due by January 20 of the following year.

7 Such quarter annual and annual returns, as to form and
8 substance, shall be subject to the same requirements as
9 monthly returns.

10 Notwithstanding any other provision in this Act concerning
11 the time within which a serviceman may file his return, in the
12 case of any serviceman who ceases to engage in a kind of
13 business which makes him responsible for filing returns under
14 this Act, such serviceman shall file a final return under this
15 Act with the Department not more than one ± month after
16 discontinuing such business.

17 Beginning October 1, 1993, a taxpayer who has an average
18 monthly tax liability of \$150,000 or more shall make all
19 payments required by rules of the Department by electronic
20 funds transfer. Beginning October 1, 1994, a taxpayer who has
21 an average monthly tax liability of \$100,000 or more shall
22 make all payments required by rules of the Department by
23 electronic funds transfer. Beginning October 1, 1995, a
24 taxpayer who has an average monthly tax liability of \$50,000
25 or more shall make all payments required by rules of the
26 Department by electronic funds transfer. Beginning October 1,

1 2000, a taxpayer who has an annual tax liability of \$200,000 or
2 more shall make all payments required by rules of the
3 Department by electronic funds transfer. The term "annual tax
4 liability" shall be the sum of the taxpayer's liabilities
5 under this Act, and under all other State and local occupation
6 and use tax laws administered by the Department, for the
7 immediately preceding calendar year. The term "average monthly
8 tax liability" means the sum of the taxpayer's liabilities
9 under this Act, and under all other State and local occupation
10 and use tax laws administered by the Department, for the
11 immediately preceding calendar year divided by 12. Beginning
12 on October 1, 2002, a taxpayer who has a tax liability in the
13 amount set forth in subsection (b) of Section 2505-210 of the
14 Department of Revenue Law shall make all payments required by
15 rules of the Department by electronic funds transfer.

16 Before August 1 of each year beginning in 1993, the
17 Department shall notify all taxpayers required to make
18 payments by electronic funds transfer. All taxpayers required
19 to make payments by electronic funds transfer shall make those
20 payments for a minimum of one year beginning on October 1.

21 Any taxpayer not required to make payments by electronic
22 funds transfer may make payments by electronic funds transfer
23 with the permission of the Department.

24 All taxpayers required to make payment by electronic funds
25 transfer and any taxpayers authorized to voluntarily make
26 payments by electronic funds transfer shall make those

1 payments in the manner authorized by the Department.

2 The Department shall adopt such rules as are necessary to
3 effectuate a program of electronic funds transfer and the
4 requirements of this Section.

5 Where a serviceman collects the tax with respect to the
6 selling price of tangible personal property which he sells and
7 the purchaser thereafter returns such tangible personal
8 property and the serviceman refunds the selling price thereof
9 to the purchaser, such serviceman shall also refund, to the
10 purchaser, the tax so collected from the purchaser. When
11 filing his return for the period in which he refunds such tax
12 to the purchaser, the serviceman may deduct the amount of the
13 tax so refunded by him to the purchaser from any other Service
14 Occupation Tax, Service Use Tax, Retailers' Occupation Tax, or
15 Use Tax which such serviceman may be required to pay or remit
16 to the Department, as shown by such return, provided that the
17 amount of the tax to be deducted shall previously have been
18 remitted to the Department by such serviceman. If the
19 serviceman shall not previously have remitted the amount of
20 such tax to the Department, he shall be entitled to no
21 deduction hereunder upon refunding such tax to the purchaser.

22 If experience indicates such action to be practicable, the
23 Department may prescribe and furnish a combination or joint
24 return which will enable servicemen, who are required to file
25 returns hereunder and also under the Retailers' Occupation Tax
26 Act, the Use Tax Act, or the Service Use Tax Act, to furnish

1 all the return information required by all said Acts on the one
2 form.

3 Where the serviceman has more than one business registered
4 with the Department under separate registrations hereunder,
5 such serviceman shall file separate returns for each
6 registered business.

7 Beginning January 1, 1990, each month the Department shall
8 pay into the Local Government Tax Fund the revenue realized
9 for the preceding month from the 1% tax imposed under this Act.

10 Beginning January 1, 1990, each month the Department shall
11 pay into the County and Mass Transit District Fund 4% of the
12 revenue realized for the preceding month from the 6.25%
13 general rate on sales of tangible personal property other than
14 aviation fuel sold on or after December 1, 2019. This
15 exception for aviation fuel only applies for so long as the
16 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
17 47133 are binding on the State.

18 Beginning August 1, 2000, each month the Department shall
19 pay into the County and Mass Transit District Fund 20% of the
20 net revenue realized for the preceding month from the 1.25%
21 rate on the selling price of motor fuel and gasohol.

22 Beginning January 1, 1990, each month the Department shall
23 pay into the Local Government Tax Fund 16% of the revenue
24 realized for the preceding month from the 6.25% general rate
25 on transfers of tangible personal property other than aviation
26 fuel sold on or after December 1, 2019. This exception for

1 aviation fuel only applies for so long as the revenue use
2 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
3 binding on the State.

4 For aviation fuel sold on or after December 1, 2019, each
5 month the Department shall pay into the State Aviation Program
6 Fund 20% of the net revenue realized for the preceding month
7 from the 6.25% general rate on the selling price of aviation
8 fuel, less an amount estimated by the Department to be
9 required for refunds of the 20% portion of the tax on aviation
10 fuel under this Act, which amount shall be deposited into the
11 Aviation Fuel Sales Tax Refund Fund. The Department shall only
12 pay moneys into the State Aviation Program Fund and the
13 Aviation Fuel Sales Tax Refund Fund under this Act for so long
14 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
15 U.S.C. 47133 are binding on the State.

16 Beginning August 1, 2000, each month the Department shall
17 pay into the Local Government Tax Fund 80% of the net revenue
18 realized for the preceding month from the 1.25% rate on the
19 selling price of motor fuel and gasohol.

20 Beginning October 1, 2009, each month the Department shall
21 pay into the Capital Projects Fund an amount that is equal to
22 an amount estimated by the Department to represent 80% of the
23 net revenue realized for the preceding month from the sale of
24 candy, grooming and hygiene products, and soft drinks that had
25 been taxed at a rate of 1% prior to September 1, 2009 but that
26 are now taxed at 6.25%.

1 Beginning July 1, 2013, each month the Department shall
2 pay into the Underground Storage Tank Fund from the proceeds
3 collected under this Act, the Use Tax Act, the Service Use Tax
4 Act, and the Retailers' Occupation Tax Act an amount equal to
5 the average monthly deficit in the Underground Storage Tank
6 Fund during the prior year, as certified annually by the
7 Illinois Environmental Protection Agency, but the total
8 payment into the Underground Storage Tank Fund under this Act,
9 the Use Tax Act, the Service Use Tax Act, and the Retailers'
10 Occupation Tax Act shall not exceed \$18,000,000 in any State
11 fiscal year. As used in this paragraph, the "average monthly
12 deficit" shall be equal to the difference between the average
13 monthly claims for payment by the fund and the average monthly
14 revenues deposited into the fund, excluding payments made
15 pursuant to this paragraph.

16 Beginning July 1, 2015, of the remainder of the moneys
17 received by the Department under the Use Tax Act, the Service
18 Use Tax Act, this Act, and the Retailers' Occupation Tax Act,
19 each month the Department shall deposit \$500,000 into the
20 State Crime Laboratory Fund.

21 Of the remainder of the moneys received by the Department
22 pursuant to this Act, (a) 1.75% thereof shall be paid into the
23 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
24 and after July 1, 1989, 3.8% thereof shall be paid into the
25 Build Illinois Fund; provided, however, that if in any fiscal
26 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case

1 may be, of the moneys received by the Department and required
2 to be paid into the Build Illinois Fund pursuant to Section 3
3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
4 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
5 Service Occupation Tax Act, such Acts being hereinafter called
6 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case
7 may be, of moneys being hereinafter called the "Tax Act
8 Amount", and (2) the amount transferred to the Build Illinois
9 Fund from the State and Local Sales Tax Reform Fund shall be
10 less than the Annual Specified Amount (as defined in Section 3
11 of the Retailers' Occupation Tax Act), an amount equal to the
12 difference shall be immediately paid into the Build Illinois
13 Fund from other moneys received by the Department pursuant to
14 the Tax Acts; and further provided, that if on the last
15 business day of any month the sum of (1) the Tax Act Amount
16 required to be deposited into the Build Illinois Account in
17 the Build Illinois Fund during such month and (2) the amount
18 transferred during such month to the Build Illinois Fund from
19 the State and Local Sales Tax Reform Fund shall have been less
20 than 1/12 of the Annual Specified Amount, an amount equal to
21 the difference shall be immediately paid into the Build
22 Illinois Fund from other moneys received by the Department
23 pursuant to the Tax Acts; and, further provided, that in no
24 event shall the payments required under the preceding proviso
25 result in aggregate payments into the Build Illinois Fund
26 pursuant to this clause (b) for any fiscal year in excess of

1 the greater of (i) the Tax Act Amount or (ii) the Annual
2 Specified Amount for such fiscal year; and, further provided,
3 that the amounts payable into the Build Illinois Fund under
4 this clause (b) shall be payable only until such time as the
5 aggregate amount on deposit under each trust indenture
6 securing Bonds issued and outstanding pursuant to the Build
7 Illinois Bond Act is sufficient, taking into account any
8 future investment income, to fully provide, in accordance with
9 such indenture, for the defeasance of or the payment of the
10 principal of, premium, if any, and interest on the Bonds
11 secured by such indenture and on any Bonds expected to be
12 issued thereafter and all fees and costs payable with respect
13 thereto, all as certified by the Director of the Bureau of the
14 Budget (now Governor's Office of Management and Budget). If on
15 the last business day of any month in which Bonds are
16 outstanding pursuant to the Build Illinois Bond Act, the
17 aggregate of the moneys deposited in the Build Illinois Bond
18 Account in the Build Illinois Fund in such month shall be less
19 than the amount required to be transferred in such month from
20 the Build Illinois Bond Account to the Build Illinois Bond
21 Retirement and Interest Fund pursuant to Section 13 of the
22 Build Illinois Bond Act, an amount equal to such deficiency
23 shall be immediately paid from other moneys received by the
24 Department pursuant to the Tax Acts to the Build Illinois
25 Fund; provided, however, that any amounts paid to the Build
26 Illinois Fund in any fiscal year pursuant to this sentence

1 shall be deemed to constitute payments pursuant to clause (b)
2 of the preceding sentence and shall reduce the amount
3 otherwise payable for such fiscal year pursuant to clause (b)
4 of the preceding sentence. The moneys received by the
5 Department pursuant to this Act and required to be deposited
6 into the Build Illinois Fund are subject to the pledge, claim
7 and charge set forth in Section 12 of the Build Illinois Bond
8 Act.

9 Subject to payment of amounts into the Build Illinois Fund
10 as provided in the preceding paragraph or in any amendment
11 thereto hereafter enacted, the following specified monthly
12 installment of the amount requested in the certificate of the
13 Chairman of the Metropolitan Pier and Exposition Authority
14 provided under Section 8.25f of the State Finance Act, but not
15 in excess of the sums designated as "Total Deposit", shall be
16 deposited in the aggregate from collections under Section 9 of
17 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
18 9 of the Service Occupation Tax Act, and Section 3 of the
19 Retailers' Occupation Tax Act into the McCormick Place
20 Expansion Project Fund in the specified fiscal years.

21	Fiscal Year	Total Deposit
22	1993	\$0
23	1994	53,000,000
24	1995	58,000,000
25	1996	61,000,000

1	1997	64,000,000
2	1998	68,000,000
3	1999	71,000,000
4	2000	75,000,000
5	2001	80,000,000
6	2002	93,000,000
7	2003	99,000,000
8	2004	103,000,000
9	2005	108,000,000
10	2006	113,000,000
11	2007	119,000,000
12	2008	126,000,000
13	2009	132,000,000
14	2010	139,000,000
15	2011	146,000,000
16	2012	153,000,000
17	2013	161,000,000
18	2014	170,000,000
19	2015	179,000,000
20	2016	189,000,000
21	2017	199,000,000
22	2018	210,000,000
23	2019	221,000,000
24	2020	233,000,000
25	2021	300,000,000
26	2022	300,000,000

1	2023	300,000,000
2	2024	300,000,000
3	2025	300,000,000
4	2026	300,000,000
5	2027	375,000,000
6	2028	375,000,000
7	2029	375,000,000
8	2030	375,000,000
9	2031	375,000,000
10	2032	375,000,000
11	2033	375,000,000
12	2034	375,000,000
13	2035	375,000,000
14	2036	450,000,000

15 and

16 each fiscal year
17 thereafter that bonds
18 are outstanding under
19 Section 13.2 of the
20 Metropolitan Pier and
21 Exposition Authority Act,
22 but not after fiscal year 2060.

23 Beginning July 20, 1993 and in each month of each fiscal
24 year thereafter, one-eighth of the amount requested in the
25 certificate of the Chairman of the Metropolitan Pier and
26 Exposition Authority for that fiscal year, less the amount

1 deposited into the McCormick Place Expansion Project Fund by
2 the State Treasurer in the respective month under subsection
3 (g) of Section 13 of the Metropolitan Pier and Exposition
4 Authority Act, plus cumulative deficiencies in the deposits
5 required under this Section for previous months and years,
6 shall be deposited into the McCormick Place Expansion Project
7 Fund, until the full amount requested for the fiscal year, but
8 not in excess of the amount specified above as "Total
9 Deposit", has been deposited.

10 Subject to payment of amounts into the Capital Projects
11 Fund, the Build Illinois Fund, and the McCormick Place
12 Expansion Project Fund pursuant to the preceding paragraphs or
13 in any amendments thereto hereafter enacted, for aviation fuel
14 sold on or after December 1, 2019, the Department shall each
15 month deposit into the Aviation Fuel Sales Tax Refund Fund an
16 amount estimated by the Department to be required for refunds
17 of the 80% portion of the tax on aviation fuel under this Act.
18 The Department shall only deposit moneys into the Aviation
19 Fuel Sales Tax Refund Fund under this paragraph for so long as
20 the revenue use requirements of 49 U.S.C. 47107(b) and 49
21 U.S.C. 47133 are binding on the State.

22 Subject to payment of amounts into the Build Illinois Fund
23 and the McCormick Place Expansion Project Fund pursuant to the
24 preceding paragraphs or in any amendments thereto hereafter
25 enacted, beginning July 1, 1993 and ending on September 30,
26 2013, the Department shall each month pay into the Illinois

1 Tax Increment Fund 0.27% of 80% of the net revenue realized for
2 the preceding month from the 6.25% general rate on the selling
3 price of tangible personal property.

4 Subject to payment of amounts into the Build Illinois
5 Fund, the McCormick Place Expansion Project Fund, and the
6 Illinois Tax Increment Fund pursuant to the preceding
7 paragraphs or in any amendments to this Section hereafter
8 enacted, beginning on the first day of the first calendar
9 month to occur on or after August 26, 2014 (the effective date
10 of Public Act 98-1098), each month, from the collections made
11 under Section 9 of the Use Tax Act, Section 9 of the Service
12 Use Tax Act, Section 9 of the Service Occupation Tax Act, and
13 Section 3 of the Retailers' Occupation Tax Act, the Department
14 shall pay into the Tax Compliance and Administration Fund, to
15 be used, subject to appropriation, to fund additional auditors
16 and compliance personnel at the Department of Revenue, an
17 amount equal to 1/12 of 5% of 80% of the cash receipts
18 collected during the preceding fiscal year by the Audit Bureau
19 of the Department under the Use Tax Act, the Service Use Tax
20 Act, the Service Occupation Tax Act, the Retailers' Occupation
21 Tax Act, and associated local occupation and use taxes
22 administered by the Department.

23 Subject to payments of amounts into the Build Illinois
24 Fund, the McCormick Place Expansion Project Fund, the Illinois
25 Tax Increment Fund, and the Tax Compliance and Administration
26 Fund as provided in this Section, beginning on July 1, 2018 the

1 Department shall pay each month into the Downstate Public
2 Transportation Fund the moneys required to be so paid under
3 Section 2-3 of the Downstate Public Transportation Act.

4 Subject to successful execution and delivery of a
5 public-private agreement between the public agency and private
6 entity and completion of the civic build, beginning on July 1,
7 2023, of the remainder of the moneys received by the
8 Department under the Use Tax Act, the Service Use Tax Act, the
9 Service Occupation Tax Act, and this Act, the Department shall
10 deposit the following specified deposits in the aggregate from
11 collections under the Use Tax Act, the Service Use Tax Act, the
12 Service Occupation Tax Act, and the Retailers' Occupation Tax
13 Act, as required under Section 8.25g of the State Finance Act
14 for distribution consistent with the Public-Private
15 Partnership for Civic and Transit Infrastructure Project Act.
16 The moneys received by the Department pursuant to this Act and
17 required to be deposited into the Civic and Transit
18 Infrastructure Fund are subject to the pledge, claim and
19 charge set forth in Section 25-55 of the Public-Private
20 Partnership for Civic and Transit Infrastructure Project Act.
21 As used in this paragraph, "civic build", "private entity",
22 "public-private agreement", and "public agency" have the
23 meanings provided in Section 25-10 of the Public-Private
24 Partnership for Civic and Transit Infrastructure Project Act.

25	Fiscal Year.....	Total Deposit
26	2024	\$200,000,000

1	2025	.....	\$206,000,000
2	2026	.....	\$212,200,000
3	2027	.....	\$218,500,000
4	2028	.....	\$225,100,000
5	2029	.....	\$288,700,000
6	2030	.....	\$298,900,000
7	2031	.....	\$309,300,000
8	2032	.....	\$320,100,000
9	2033	.....	\$331,200,000
10	2034	.....	\$341,200,000
11	2035	.....	\$351,400,000
12	2036	.....	\$361,900,000
13	2037	.....	\$372,800,000
14	2038	.....	\$384,000,000
15	2039	.....	\$395,500,000
16	2040	.....	\$407,400,000
17	2041	.....	\$419,600,000
18	2042	.....	\$432,200,000
19	2043	.....	\$445,100,000

20 Beginning July 1, 2021 and until July 1, 2022, subject to
21 the payment of amounts into the County and Mass Transit
22 District Fund, the Local Government Tax Fund, the Build
23 Illinois Fund, the McCormick Place Expansion Project Fund, the
24 Illinois Tax Increment Fund, and the Tax Compliance and
25 Administration Fund as provided in this Section, the
26 Department shall pay each month into the Road Fund the amount

1 estimated to represent 16% of the net revenue realized from
2 the taxes imposed on motor fuel and gasohol. Beginning July 1,
3 2022 and until July 1, 2023, subject to the payment of amounts
4 into the County and Mass Transit District Fund, the Local
5 Government Tax Fund, the Build Illinois Fund, the McCormick
6 Place Expansion Project Fund, the Illinois Tax Increment Fund,
7 and the Tax Compliance and Administration Fund as provided in
8 this Section, the Department shall pay each month into the
9 Road Fund the amount estimated to represent 32% of the net
10 revenue realized from the taxes imposed on motor fuel and
11 gasohol. Beginning July 1, 2023 and until July 1, 2024,
12 subject to the payment of amounts into the County and Mass
13 Transit District Fund, the Local Government Tax Fund, the
14 Build Illinois Fund, the McCormick Place Expansion Project
15 Fund, the Illinois Tax Increment Fund, and the Tax Compliance
16 and Administration Fund as provided in this Section, the
17 Department shall pay each month into the Road Fund the amount
18 estimated to represent 48% of the net revenue realized from
19 the taxes imposed on motor fuel and gasohol. Beginning July 1,
20 2024 and until July 1, 2025, subject to the payment of amounts
21 into the County and Mass Transit District Fund, the Local
22 Government Tax Fund, the Build Illinois Fund, the McCormick
23 Place Expansion Project Fund, the Illinois Tax Increment Fund,
24 and the Tax Compliance and Administration Fund as provided in
25 this Section, the Department shall pay each month into the
26 Road Fund the amount estimated to represent 64% of the net

1 revenue realized from the taxes imposed on motor fuel and
2 gasohol. Beginning on July 1, 2025, subject to the payment of
3 amounts into the County and Mass Transit District Fund, the
4 Local Government Tax Fund, the Build Illinois Fund, the
5 McCormick Place Expansion Project Fund, the Illinois Tax
6 Increment Fund, and the Tax Compliance and Administration Fund
7 as provided in this Section, the Department shall pay each
8 month into the Road Fund the amount estimated to represent 80%
9 of the net revenue realized from the taxes imposed on motor
10 fuel and gasohol. As used in this paragraph "motor fuel" has
11 the meaning given to that term in Section 1.1 of the Motor Fuel
12 Tax Law, and "gasohol" has the meaning given to that term in
13 Section 3-40 of the Use Tax Act.

14 Of the remainder of the moneys received by the Department
15 pursuant to this Act, 75% shall be paid into the General
16 Revenue Fund of the State treasury ~~Treasury~~ and 25% shall be
17 reserved in a special account and used only for the transfer to
18 the Common School Fund as part of the monthly transfer from the
19 General Revenue Fund in accordance with Section 8a of the
20 State Finance Act.

21 The Department may, upon separate written notice to a
22 taxpayer, require the taxpayer to prepare and file with the
23 Department on a form prescribed by the Department within not
24 less than 60 days after receipt of the notice an annual
25 information return for the tax year specified in the notice.
26 Such annual return to the Department shall include a statement

1 of gross receipts as shown by the taxpayer's last federal
2 ~~Federal~~ income tax return. If the total receipts of the
3 business as reported in the federal ~~Federal~~ income tax return
4 do not agree with the gross receipts reported to the
5 Department of Revenue for the same period, the taxpayer shall
6 attach to his annual return a schedule showing a
7 reconciliation of the 2 amounts and the reasons for the
8 difference. The taxpayer's annual return to the Department
9 shall also disclose the cost of goods sold by the taxpayer
10 during the year covered by such return, opening and closing
11 inventories of such goods for such year, cost of goods used
12 from stock or taken from stock and given away by the taxpayer
13 during such year, pay roll information of the taxpayer's
14 business during such year and any additional reasonable
15 information which the Department deems would be helpful in
16 determining the accuracy of the monthly, quarterly or annual
17 returns filed by such taxpayer as hereinbefore provided for in
18 this Section.

19 If the annual information return required by this Section
20 is not filed when and as required, the taxpayer shall be liable
21 as follows:

22 (i) Until January 1, 1994, the taxpayer shall be
23 liable for a penalty equal to 1/6 of 1% of the tax due from
24 such taxpayer under this Act during the period to be
25 covered by the annual return for each month or fraction of
26 a month until such return is filed as required, the

1 penalty to be assessed and collected in the same manner as
2 any other penalty provided for in this Act.

3 (ii) On and after January 1, 1994, the taxpayer shall
4 be liable for a penalty as described in Section 3-4 of the
5 Uniform Penalty and Interest Act.

6 The chief executive officer, proprietor, owner, or highest
7 ranking manager shall sign the annual return to certify the
8 accuracy of the information contained therein. Any person who
9 willfully signs the annual return containing false or
10 inaccurate information shall be guilty of perjury and punished
11 accordingly. The annual return form prescribed by the
12 Department shall include a warning that the person signing the
13 return may be liable for perjury.

14 The foregoing portion of this Section concerning the
15 filing of an annual information return shall not apply to a
16 serviceman who is not required to file an income tax return
17 with the United States Government.

18 As soon as possible after the first day of each month, upon
19 certification of the Department of Revenue, the Comptroller
20 shall order transferred and the Treasurer shall transfer from
21 the General Revenue Fund to the Motor Fuel Tax Fund an amount
22 equal to 1.7% of 80% of the net revenue realized under this Act
23 for the second preceding month. Beginning April 1, 2000, this
24 transfer is no longer required and shall not be made.

25 Net revenue realized for a month shall be the revenue
26 collected by the State pursuant to this Act, less the amount

1 paid out during that month as refunds to taxpayers for
2 overpayment of liability.

3 For greater simplicity of administration, it shall be
4 permissible for manufacturers, importers and wholesalers whose
5 products are sold by numerous servicemen in Illinois, and who
6 wish to do so, to assume the responsibility for accounting and
7 paying to the Department all tax accruing under this Act with
8 respect to such sales, if the servicemen who are affected do
9 not make written objection to the Department to this
10 arrangement.

11 (Source: P.A. 102-700, eff. 4-19-22; 103-9, eff. 6-7-23;
12 103-363, eff. 7-28-23; revised 9-25-23.)

13 Section 800-25. The Retailers' Occupation Tax Act is
14 amended by changing Section 3 as follows:

15 (35 ILCS 120/3) (from Ch. 120, par. 442)

16 Sec. 3. Except as provided in this Section, on or before
17 the twentieth day of each calendar month, every person engaged
18 in the business of selling tangible personal property at
19 retail in this State during the preceding calendar month shall
20 file a return with the Department, stating:

21 1. The name of the seller;

22 2. His residence address and the address of his
23 principal place of business and the address of the
24 principal place of business (if that is a different

1 address) from which he engages in the business of selling
2 tangible personal property at retail in this State;

3 3. Total amount of receipts received by him during the
4 preceding calendar month or quarter, as the case may be,
5 from sales of tangible personal property, and from
6 services furnished, by him during such preceding calendar
7 month or quarter;

8 4. Total amount received by him during the preceding
9 calendar month or quarter on charge and time sales of
10 tangible personal property, and from services furnished,
11 by him prior to the month or quarter for which the return
12 is filed;

13 5. Deductions allowed by law;

14 6. Gross receipts which were received by him during
15 the preceding calendar month or quarter and upon the basis
16 of which the tax is imposed, including gross receipts on
17 food for human consumption that is to be consumed off the
18 premises where it is sold (other than alcoholic beverages,
19 food consisting of or infused with adult use cannabis,
20 soft drinks, and food that has been prepared for immediate
21 consumption) which were received during the preceding
22 calendar month or quarter and upon which tax would have
23 been due but for the 0% rate imposed under Public Act
24 102-700;

25 7. The amount of credit provided in Section 2d of this
26 Act;

1 8. The amount of tax due, including the amount of tax
2 that would have been due on food for human consumption
3 that is to be consumed off the premises where it is sold
4 (other than alcoholic beverages, food consisting of or
5 infused with adult use cannabis, soft drinks, and food
6 that has been prepared for immediate consumption) but for
7 the 0% rate imposed under Public Act 102-700;

8 9. The signature of the taxpayer; and

9 10. Such other reasonable information as the
10 Department may require.

11 On and after January 1, 2018, except for returns required
12 to be filed prior to January 1, 2023 for motor vehicles,
13 watercraft, aircraft, and trailers that are required to be
14 registered with an agency of this State, with respect to
15 retailers whose annual gross receipts average \$20,000 or more,
16 all returns required to be filed pursuant to this Act shall be
17 filed electronically. On and after January 1, 2023, with
18 respect to retailers whose annual gross receipts average
19 \$20,000 or more, all returns required to be filed pursuant to
20 this Act, including, but not limited to, returns for motor
21 vehicles, watercraft, aircraft, and trailers that are required
22 to be registered with an agency of this State, shall be filed
23 electronically. Retailers who demonstrate that they do not
24 have access to the Internet or demonstrate hardship in filing
25 electronically may petition the Department to waive the
26 electronic filing requirement.

1 If a taxpayer fails to sign a return within 30 days after
2 the proper notice and demand for signature by the Department,
3 the return shall be considered valid and any amount shown to be
4 due on the return shall be deemed assessed.

5 Each return shall be accompanied by the statement of
6 prepaid tax issued pursuant to Section 2e for which credit is
7 claimed.

8 Prior to October 1, 2003~~7~~ and on and after September 1,
9 2004~~4~~, a retailer may accept a Manufacturer's Purchase Credit
10 certification from a purchaser in satisfaction of Use Tax as
11 provided in Section 3-85 of the Use Tax Act if the purchaser
12 provides the appropriate documentation as required by Section
13 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
14 certification, accepted by a retailer prior to October 1, 2003
15 and on and after September 1, 2004 as provided in Section 3-85
16 of the Use Tax Act, may be used by that retailer to satisfy
17 Retailers' Occupation Tax liability in the amount claimed in
18 the certification, not to exceed 6.25% of the receipts subject
19 to tax from a qualifying purchase. A Manufacturer's Purchase
20 Credit reported on any original or amended return filed under
21 this Act after October 20, 2003 for reporting periods prior to
22 September 1, 2004 shall be disallowed. Manufacturer's Purchase
23 Credit reported on annual returns due on or after January 1,
24 2005 will be disallowed for periods prior to September 1,
25 2004. No Manufacturer's Purchase Credit may be used after
26 September 30, 2003 through August 31, 2004 to satisfy any tax

1 liability imposed under this Act, including any audit
2 liability.

3 Beginning on July 1, 2023 and through December 31, 2032, a
4 retailer may accept a Sustainable Aviation Fuel Purchase
5 Credit certification from an air common carrier-purchaser in
6 satisfaction of Use Tax on aviation fuel as provided in
7 Section 3-87 of the Use Tax Act if the purchaser provides the
8 appropriate documentation as required by Section 3-87 of the
9 Use Tax Act. A Sustainable Aviation Fuel Purchase Credit
10 certification accepted by a retailer in accordance with this
11 paragraph may be used by that retailer to satisfy Retailers'
12 Occupation Tax liability (but not in satisfaction of penalty
13 or interest) in the amount claimed in the certification, not
14 to exceed 6.25% of the receipts subject to tax from a sale of
15 aviation fuel. In addition, for a sale of aviation fuel to
16 qualify to earn the Sustainable Aviation Fuel Purchase Credit,
17 retailers must retain in their books and records a
18 certification from the producer of the aviation fuel that the
19 aviation fuel sold by the retailer and for which a sustainable
20 aviation fuel purchase credit was earned meets the definition
21 of sustainable aviation fuel under Section 3-87 of the Use Tax
22 Act. The documentation must include detail sufficient for the
23 Department to determine the number of gallons of sustainable
24 aviation fuel sold.

25 The Department may require returns to be filed on a
26 quarterly basis. If so required, a return for each calendar

1 quarter shall be filed on or before the twentieth day of the
2 calendar month following the end of such calendar quarter. The
3 taxpayer shall also file a return with the Department for each
4 of the first 2 ~~two~~ months of each calendar quarter, on or
5 before the twentieth day of the following calendar month,
6 stating:

7 1. The name of the seller;

8 2. The address of the principal place of business from
9 which he engages in the business of selling tangible
10 personal property at retail in this State;

11 3. The total amount of taxable receipts received by
12 him during the preceding calendar month from sales of
13 tangible personal property by him during such preceding
14 calendar month, including receipts from charge and time
15 sales, but less all deductions allowed by law;

16 4. The amount of credit provided in Section 2d of this
17 Act;

18 5. The amount of tax due; and

19 6. Such other reasonable information as the Department
20 may require.

21 Every person engaged in the business of selling aviation
22 fuel at retail in this State during the preceding calendar
23 month shall, instead of reporting and paying tax as otherwise
24 required by this Section, report and pay such tax on a separate
25 aviation fuel tax return. The requirements related to the
26 return shall be as otherwise provided in this Section.

1 Notwithstanding any other provisions of this Act to the
2 contrary, retailers selling aviation fuel shall file all
3 aviation fuel tax returns and shall make all aviation fuel tax
4 payments by electronic means in the manner and form required
5 by the Department. For purposes of this Section, "aviation
6 fuel" means jet fuel and aviation gasoline.

7 Beginning on October 1, 2003, any person who is not a
8 licensed distributor, importing distributor, or manufacturer,
9 as defined in the Liquor Control Act of 1934, but is engaged in
10 the business of selling, at retail, alcoholic liquor shall
11 file a statement with the Department of Revenue, in a format
12 and at a time prescribed by the Department, showing the total
13 amount paid for alcoholic liquor purchased during the
14 preceding month and such other information as is reasonably
15 required by the Department. The Department may adopt rules to
16 require that this statement be filed in an electronic or
17 telephonic format. Such rules may provide for exceptions from
18 the filing requirements of this paragraph. For the purposes of
19 this paragraph, the term "alcoholic liquor" shall have the
20 meaning prescribed in the Liquor Control Act of 1934.

21 Beginning on October 1, 2003, every distributor, importing
22 distributor, and manufacturer of alcoholic liquor as defined
23 in the Liquor Control Act of 1934, shall file a statement with
24 the Department of Revenue, no later than the 10th day of the
25 month for the preceding month during which transactions
26 occurred, by electronic means, showing the total amount of

1 gross receipts from the sale of alcoholic liquor sold or
2 distributed during the preceding month to purchasers;
3 identifying the purchaser to whom it was sold or distributed;
4 the purchaser's tax registration number; and such other
5 information reasonably required by the Department. A
6 distributor, importing distributor, or manufacturer of
7 alcoholic liquor must personally deliver, mail, or provide by
8 electronic means to each retailer listed on the monthly
9 statement a report containing a cumulative total of that
10 distributor's, importing distributor's, or manufacturer's
11 total sales of alcoholic liquor to that retailer no later than
12 the 10th day of the month for the preceding month during which
13 the transaction occurred. The distributor, importing
14 distributor, or manufacturer shall notify the retailer as to
15 the method by which the distributor, importing distributor, or
16 manufacturer will provide the sales information. If the
17 retailer is unable to receive the sales information by
18 electronic means, the distributor, importing distributor, or
19 manufacturer shall furnish the sales information by personal
20 delivery or by mail. For purposes of this paragraph, the term
21 "electronic means" includes, but is not limited to, the use of
22 a secure Internet website, e-mail, or facsimile.

23 If a total amount of less than \$1 is payable, refundable or
24 creditable, such amount shall be disregarded if it is less
25 than 50 cents and shall be increased to \$1 if it is 50 cents or
26 more.

1 Notwithstanding any other provision of this Act to the
2 contrary, retailers subject to tax on cannabis shall file all
3 cannabis tax returns and shall make all cannabis tax payments
4 by electronic means in the manner and form required by the
5 Department.

6 Notwithstanding any other provision of this Act to the
7 contrary, retailers subject to tax on hemp concentrate,
8 intermediate hemp products, or hemp concentrate derived
9 products shall file all tax returns and shall make all tax
10 payments on hemp concentrate, intermediate hemp products, and
11 hemp concentrate derived products by electronic means in the
12 manner and form required by the Department.

13 Beginning October 1, 1993, a taxpayer who has an average
14 monthly tax liability of \$150,000 or more shall make all
15 payments required by rules of the Department by electronic
16 funds transfer. Beginning October 1, 1994, a taxpayer who has
17 an average monthly tax liability of \$100,000 or more shall
18 make all payments required by rules of the Department by
19 electronic funds transfer. Beginning October 1, 1995, a
20 taxpayer who has an average monthly tax liability of \$50,000
21 or more shall make all payments required by rules of the
22 Department by electronic funds transfer. Beginning October 1,
23 2000, a taxpayer who has an annual tax liability of \$200,000 or
24 more shall make all payments required by rules of the
25 Department by electronic funds transfer. The term "annual tax
26 liability" shall be the sum of the taxpayer's liabilities

1 under this Act, and under all other State and local occupation
2 and use tax laws administered by the Department, for the
3 immediately preceding calendar year. The term "average monthly
4 tax liability" shall be the sum of the taxpayer's liabilities
5 under this Act, and under all other State and local occupation
6 and use tax laws administered by the Department, for the
7 immediately preceding calendar year divided by 12. Beginning
8 on October 1, 2002, a taxpayer who has a tax liability in the
9 amount set forth in subsection (b) of Section 2505-210 of the
10 Department of Revenue Law shall make all payments required by
11 rules of the Department by electronic funds transfer.

12 Before August 1 of each year beginning in 1993, the
13 Department shall notify all taxpayers required to make
14 payments by electronic funds transfer. All taxpayers required
15 to make payments by electronic funds transfer shall make those
16 payments for a minimum of one year beginning on October 1.

17 Any taxpayer not required to make payments by electronic
18 funds transfer may make payments by electronic funds transfer
19 with the permission of the Department.

20 All taxpayers required to make payment by electronic funds
21 transfer and any taxpayers authorized to voluntarily make
22 payments by electronic funds transfer shall make those
23 payments in the manner authorized by the Department.

24 The Department shall adopt such rules as are necessary to
25 effectuate a program of electronic funds transfer and the
26 requirements of this Section.

1 Any amount which is required to be shown or reported on any
2 return or other document under this Act shall, if such amount
3 is not a whole-dollar amount, be increased to the nearest
4 whole-dollar amount in any case where the fractional part of a
5 dollar is 50 cents or more, and decreased to the nearest
6 whole-dollar amount where the fractional part of a dollar is
7 less than 50 cents.

8 If the retailer is otherwise required to file a monthly
9 return and if the retailer's average monthly tax liability to
10 the Department does not exceed \$200, the Department may
11 authorize his returns to be filed on a quarter annual basis,
12 with the return for January, February, and March of a given
13 year being due by April 20 of such year; with the return for
14 April, May, and June of a given year being due by July 20 of
15 such year; with the return for July, August, and September of a
16 given year being due by October 20 of such year, and with the
17 return for October, November, and December of a given year
18 being due by January 20 of the following year.

19 If the retailer is otherwise required to file a monthly or
20 quarterly return and if the retailer's average monthly tax
21 liability with the Department does not exceed \$50, the
22 Department may authorize his returns to be filed on an annual
23 basis, with the return for a given year being due by January 20
24 of the following year.

25 Such quarter annual and annual returns, as to form and
26 substance, shall be subject to the same requirements as

1 monthly returns.

2 Notwithstanding any other provision in this Act concerning
3 the time within which a retailer may file his return, in the
4 case of any retailer who ceases to engage in a kind of business
5 which makes him responsible for filing returns under this Act,
6 such retailer shall file a final return under this Act with the
7 Department not more than one month after discontinuing such
8 business.

9 Where the same person has more than one business
10 registered with the Department under separate registrations
11 under this Act, such person may not file each return that is
12 due as a single return covering all such registered
13 businesses, but shall file separate returns for each such
14 registered business.

15 In addition, with respect to motor vehicles, watercraft,
16 aircraft, and trailers that are required to be registered with
17 an agency of this State, except as otherwise provided in this
18 Section, every retailer selling this kind of tangible personal
19 property shall file, with the Department, upon a form to be
20 prescribed and supplied by the Department, a separate return
21 for each such item of tangible personal property which the
22 retailer sells, except that if, in the same transaction, (i) a
23 retailer of aircraft, watercraft, motor vehicles, or trailers
24 transfers more than one aircraft, watercraft, motor vehicle,
25 or trailer to another aircraft, watercraft, motor vehicle
26 retailer, or trailer retailer for the purpose of resale or

1 (ii) a retailer of aircraft, watercraft, motor vehicles, or
2 trailers transfers more than one aircraft, watercraft, motor
3 vehicle, or trailer to a purchaser for use as a qualifying
4 rolling stock as provided in Section 2-5 of this Act, then that
5 seller may report the transfer of all aircraft, watercraft,
6 motor vehicles, or trailers involved in that transaction to
7 the Department on the same uniform invoice-transaction
8 reporting return form. For purposes of this Section,
9 "watercraft" means a Class 2, Class 3, or Class 4 watercraft as
10 defined in Section 3-2 of the Boat Registration and Safety
11 Act, a personal watercraft, or any boat equipped with an
12 inboard motor.

13 In addition, with respect to motor vehicles, watercraft,
14 aircraft, and trailers that are required to be registered with
15 an agency of this State, every person who is engaged in the
16 business of leasing or renting such items and who, in
17 connection with such business, sells any such item to a
18 retailer for the purpose of resale is, notwithstanding any
19 other provision of this Section to the contrary, authorized to
20 meet the return-filing requirement of this Act by reporting
21 the transfer of all the aircraft, watercraft, motor vehicles,
22 or trailers transferred for resale during a month to the
23 Department on the same uniform invoice-transaction reporting
24 return form on or before the 20th of the month following the
25 month in which the transfer takes place. Notwithstanding any
26 other provision of this Act to the contrary, all returns filed

1 under this paragraph must be filed by electronic means in the
2 manner and form as required by the Department.

3 Any retailer who sells only motor vehicles, watercraft,
4 aircraft, or trailers that are required to be registered with
5 an agency of this State, so that all retailers' occupation tax
6 liability is required to be reported, and is reported, on such
7 transaction reporting returns and who is not otherwise
8 required to file monthly or quarterly returns, need not file
9 monthly or quarterly returns. However, those retailers shall
10 be required to file returns on an annual basis.

11 The transaction reporting return, in the case of motor
12 vehicles or trailers that are required to be registered with
13 an agency of this State, shall be the same document as the
14 Uniform Invoice referred to in Section 5-402 of the Illinois
15 Vehicle Code and must show the name and address of the seller;
16 the name and address of the purchaser; the amount of the
17 selling price including the amount allowed by the retailer for
18 traded-in property, if any; the amount allowed by the retailer
19 for the traded-in tangible personal property, if any, to the
20 extent to which Section 1 of this Act allows an exemption for
21 the value of traded-in property; the balance payable after
22 deducting such trade-in allowance from the total selling
23 price; the amount of tax due from the retailer with respect to
24 such transaction; the amount of tax collected from the
25 purchaser by the retailer on such transaction (or satisfactory
26 evidence that such tax is not due in that particular instance,

1 if that is claimed to be the fact); the place and date of the
2 sale; a sufficient identification of the property sold; such
3 other information as is required in Section 5-402 of the
4 Illinois Vehicle Code, and such other information as the
5 Department may reasonably require.

6 The transaction reporting return in the case of watercraft
7 or aircraft must show the name and address of the seller; the
8 name and address of the purchaser; the amount of the selling
9 price including the amount allowed by the retailer for
10 traded-in property, if any; the amount allowed by the retailer
11 for the traded-in tangible personal property, if any, to the
12 extent to which Section 1 of this Act allows an exemption for
13 the value of traded-in property; the balance payable after
14 deducting such trade-in allowance from the total selling
15 price; the amount of tax due from the retailer with respect to
16 such transaction; the amount of tax collected from the
17 purchaser by the retailer on such transaction (or satisfactory
18 evidence that such tax is not due in that particular instance,
19 if that is claimed to be the fact); the place and date of the
20 sale, a sufficient identification of the property sold, and
21 such other information as the Department may reasonably
22 require.

23 Such transaction reporting return shall be filed not later
24 than 20 days after the day of delivery of the item that is
25 being sold, but may be filed by the retailer at any time sooner
26 than that if he chooses to do so. The transaction reporting

1 return and tax remittance or proof of exemption from the
2 Illinois use tax may be transmitted to the Department by way of
3 the State agency with which, or State officer with whom the
4 tangible personal property must be titled or registered (if
5 titling or registration is required) if the Department and
6 such agency or State officer determine that this procedure
7 will expedite the processing of applications for title or
8 registration.

9 With each such transaction reporting return, the retailer
10 shall remit the proper amount of tax due (or shall submit
11 satisfactory evidence that the sale is not taxable if that is
12 the case), to the Department or its agents, whereupon the
13 Department shall issue, in the purchaser's name, a use tax
14 receipt (or a certificate of exemption if the Department is
15 satisfied that the particular sale is tax exempt) which such
16 purchaser may submit to the agency with which, or State
17 officer with whom, he must title or register the tangible
18 personal property that is involved (if titling or registration
19 is required) in support of such purchaser's application for an
20 Illinois certificate or other evidence of title or
21 registration to such tangible personal property.

22 No retailer's failure or refusal to remit tax under this
23 Act precludes a user, who has paid the proper tax to the
24 retailer, from obtaining his certificate of title or other
25 evidence of title or registration (if titling or registration
26 is required) upon satisfying the Department that such user has

1 paid the proper tax (if tax is due) to the retailer. The
2 Department shall adopt appropriate rules to carry out the
3 mandate of this paragraph.

4 If the user who would otherwise pay tax to the retailer
5 wants the transaction reporting return filed and the payment
6 of the tax or proof of exemption made to the Department before
7 the retailer is willing to take these actions and such user has
8 not paid the tax to the retailer, such user may certify to the
9 fact of such delay by the retailer and may (upon the Department
10 being satisfied of the truth of such certification) transmit
11 the information required by the transaction reporting return
12 and the remittance for tax or proof of exemption directly to
13 the Department and obtain his tax receipt or exemption
14 determination, in which event the transaction reporting return
15 and tax remittance (if a tax payment was required) shall be
16 credited by the Department to the proper retailer's account
17 with the Department, but without the 2.1% or 1.75% discount
18 provided for in this Section being allowed. When the user pays
19 the tax directly to the Department, he shall pay the tax in the
20 same amount and in the same form in which it would be remitted
21 if the tax had been remitted to the Department by the retailer.

22 Refunds made by the seller during the preceding return
23 period to purchasers, on account of tangible personal property
24 returned to the seller, shall be allowed as a deduction under
25 subdivision 5 of his monthly or quarterly return, as the case
26 may be, in case the seller had theretofore included the

1 receipts from the sale of such tangible personal property in a
2 return filed by him and had paid the tax imposed by this Act
3 with respect to such receipts.

4 Where the seller is a corporation, the return filed on
5 behalf of such corporation shall be signed by the president,
6 vice-president, secretary, or treasurer or by the properly
7 accredited agent of such corporation.

8 Where the seller is a limited liability company, the
9 return filed on behalf of the limited liability company shall
10 be signed by a manager, member, or properly accredited agent
11 of the limited liability company.

12 Except as provided in this Section, the retailer filing
13 the return under this Section shall, at the time of filing such
14 return, pay to the Department the amount of tax imposed by this
15 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
16 on and after January 1, 1990, or \$5 per calendar year,
17 whichever is greater, which is allowed to reimburse the
18 retailer for the expenses incurred in keeping records,
19 preparing and filing returns, remitting the tax and supplying
20 data to the Department on request. On and after January 1,
21 2021, a certified service provider, as defined in the Leveling
22 the Playing Field for Illinois Retail Act, filing the return
23 under this Section on behalf of a remote retailer shall, at the
24 time of such return, pay to the Department the amount of tax
25 imposed by this Act less a discount of 1.75%. A remote retailer
26 using a certified service provider to file a return on its

1 behalf, as provided in the Leveling the Playing Field for
2 Illinois Retail Act, is not eligible for the discount. When
3 determining the discount allowed under this Section, retailers
4 shall include the amount of tax that would have been due at the
5 1% rate but for the 0% rate imposed under Public Act 102-700.
6 When determining the discount allowed under this Section,
7 retailers shall include the amount of tax that would have been
8 due at the 6.25% rate but for the 1.25% rate imposed on sales
9 tax holiday items under Public Act 102-700. The discount under
10 this Section is not allowed for the 1.25% portion of taxes paid
11 on aviation fuel that is subject to the revenue use
12 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. Any
13 prepayment made pursuant to Section 2d of this Act shall be
14 included in the amount on which such 2.1% or 1.75% discount is
15 computed. In the case of retailers who report and pay the tax
16 on a transaction by transaction basis, as provided in this
17 Section, such discount shall be taken with each such tax
18 remittance instead of when such retailer files his periodic
19 return. The discount allowed under this Section is allowed
20 only for returns that are filed in the manner required by this
21 Act. The Department may disallow the discount for retailers
22 whose certificate of registration is revoked at the time the
23 return is filed, but only if the Department's decision to
24 revoke the certificate of registration has become final.

25 Before October 1, 2000, if the taxpayer's average monthly
26 tax liability to the Department under this Act, the Use Tax

1 Act, the Service Occupation Tax Act, and the Service Use Tax
2 Act, excluding any liability for prepaid sales tax to be
3 remitted in accordance with Section 2d of this Act, was
4 \$10,000 or more during the preceding 4 complete calendar
5 quarters, he shall file a return with the Department each
6 month by the 20th day of the month next following the month
7 during which such tax liability is incurred and shall make
8 payments to the Department on or before the 7th, 15th, 22nd and
9 last day of the month during which such liability is incurred.
10 On and after October 1, 2000, if the taxpayer's average
11 monthly tax liability to the Department under this Act, the
12 Use Tax Act, the Service Occupation Tax Act, and the Service
13 Use Tax Act, excluding any liability for prepaid sales tax to
14 be remitted in accordance with Section 2d of this Act, was
15 \$20,000 or more during the preceding 4 complete calendar
16 quarters, he shall file a return with the Department each
17 month by the 20th day of the month next following the month
18 during which such tax liability is incurred and shall make
19 payment to the Department on or before the 7th, 15th, 22nd and
20 last day of the month during which such liability is incurred.
21 If the month during which such tax liability is incurred began
22 prior to January 1, 1985, each payment shall be in an amount
23 equal to 1/4 of the taxpayer's actual liability for the month
24 or an amount set by the Department not to exceed 1/4 of the
25 average monthly liability of the taxpayer to the Department
26 for the preceding 4 complete calendar quarters (excluding the

1 month of highest liability and the month of lowest liability
2 in such 4 quarter period). If the month during which such tax
3 liability is incurred begins on or after January 1, 1985 and
4 prior to January 1, 1987, each payment shall be in an amount
5 equal to 22.5% of the taxpayer's actual liability for the
6 month or 27.5% of the taxpayer's liability for the same
7 calendar month of the preceding year. If the month during
8 which such tax liability is incurred begins on or after
9 January 1, 1987 and prior to January 1, 1988, each payment
10 shall be in an amount equal to 22.5% of the taxpayer's actual
11 liability for the month or 26.25% of the taxpayer's liability
12 for the same calendar month of the preceding year. If the month
13 during which such tax liability is incurred begins on or after
14 January 1, 1988, and prior to January 1, 1989, or begins on or
15 after January 1, 1996, each payment shall be in an amount equal
16 to 22.5% of the taxpayer's actual liability for the month or
17 25% of the taxpayer's liability for the same calendar month of
18 the preceding year. If the month during which such tax
19 liability is incurred begins on or after January 1, 1989, and
20 prior to January 1, 1996, each payment shall be in an amount
21 equal to 22.5% of the taxpayer's actual liability for the
22 month or 25% of the taxpayer's liability for the same calendar
23 month of the preceding year or 100% of the taxpayer's actual
24 liability for the quarter monthly reporting period. The amount
25 of such quarter monthly payments shall be credited against the
26 final tax liability of the taxpayer's return for that month.

1 Before October 1, 2000, once applicable, the requirement of
2 the making of quarter monthly payments to the Department by
3 taxpayers having an average monthly tax liability of \$10,000
4 or more as determined in the manner provided above shall
5 continue until such taxpayer's average monthly liability to
6 the Department during the preceding 4 complete calendar
7 quarters (excluding the month of highest liability and the
8 month of lowest liability) is less than \$9,000, or until such
9 taxpayer's average monthly liability to the Department as
10 computed for each calendar quarter of the 4 preceding complete
11 calendar quarter period is less than \$10,000. However, if a
12 taxpayer can show the Department that a substantial change in
13 the taxpayer's business has occurred which causes the taxpayer
14 to anticipate that his average monthly tax liability for the
15 reasonably foreseeable future will fall below the \$10,000
16 threshold stated above, then such taxpayer may petition the
17 Department for a change in such taxpayer's reporting status.
18 On and after October 1, 2000, once applicable, the requirement
19 of the making of quarter monthly payments to the Department by
20 taxpayers having an average monthly tax liability of \$20,000
21 or more as determined in the manner provided above shall
22 continue until such taxpayer's average monthly liability to
23 the Department during the preceding 4 complete calendar
24 quarters (excluding the month of highest liability and the
25 month of lowest liability) is less than \$19,000 or until such
26 taxpayer's average monthly liability to the Department as

1 computed for each calendar quarter of the 4 preceding complete
2 calendar quarter period is less than \$20,000. However, if a
3 taxpayer can show the Department that a substantial change in
4 the taxpayer's business has occurred which causes the taxpayer
5 to anticipate that his average monthly tax liability for the
6 reasonably foreseeable future will fall below the \$20,000
7 threshold stated above, then such taxpayer may petition the
8 Department for a change in such taxpayer's reporting status.
9 The Department shall change such taxpayer's reporting status
10 unless it finds that such change is seasonal in nature and not
11 likely to be long term. Quarter monthly payment status shall
12 be determined under this paragraph as if the rate reduction to
13 0% in Public Act 102-700 on food for human consumption that is
14 to be consumed off the premises where it is sold (other than
15 alcoholic beverages, food consisting of or infused with adult
16 use cannabis, soft drinks, and food that has been prepared for
17 immediate consumption) had not occurred. For quarter monthly
18 payments due under this paragraph on or after July 1, 2023 and
19 through June 30, 2024, "25% of the taxpayer's liability for
20 the same calendar month of the preceding year" shall be
21 determined as if the rate reduction to 0% in Public Act 102-700
22 had not occurred. Quarter monthly payment status shall be
23 determined under this paragraph as if the rate reduction to
24 1.25% in Public Act 102-700 on sales tax holiday items had not
25 occurred. For quarter monthly payments due on or after July 1,
26 2023 and through June 30, 2024, "25% of the taxpayer's

1 liability for the same calendar month of the preceding year"
2 shall be determined as if the rate reduction to 1.25% in Public
3 Act 102-700 on sales tax holiday items had not occurred. If any
4 such quarter monthly payment is not paid at the time or in the
5 amount required by this Section, then the taxpayer shall be
6 liable for penalties and interest on the difference between
7 the minimum amount due as a payment and the amount of such
8 quarter monthly payment actually and timely paid, except
9 insofar as the taxpayer has previously made payments for that
10 month to the Department in excess of the minimum payments
11 previously due as provided in this Section. The Department
12 shall make reasonable rules and regulations to govern the
13 quarter monthly payment amount and quarter monthly payment
14 dates for taxpayers who file on other than a calendar monthly
15 basis.

16 The provisions of this paragraph apply before October 1,
17 2001. Without regard to whether a taxpayer is required to make
18 quarter monthly payments as specified above, any taxpayer who
19 is required by Section 2d of this Act to collect and remit
20 prepaid taxes and has collected prepaid taxes which average in
21 excess of \$25,000 per month during the preceding 2 complete
22 calendar quarters, shall file a return with the Department as
23 required by Section 2f and shall make payments to the
24 Department on or before the 7th, 15th, 22nd and last day of the
25 month during which such liability is incurred. If the month
26 during which such tax liability is incurred began prior to

1 September 1, 1985 (the effective date of Public Act 84-221),
2 each payment shall be in an amount not less than 22.5% of the
3 taxpayer's actual liability under Section 2d. If the month
4 during which such tax liability is incurred begins on or after
5 January 1, 1986, each payment shall be in an amount equal to
6 22.5% of the taxpayer's actual liability for the month or
7 27.5% of the taxpayer's liability for the same calendar month
8 of the preceding calendar year. If the month during which such
9 tax liability is incurred begins on or after January 1, 1987,
10 each payment shall be in an amount equal to 22.5% of the
11 taxpayer's actual liability for the month or 26.25% of the
12 taxpayer's liability for the same calendar month of the
13 preceding year. The amount of such quarter monthly payments
14 shall be credited against the final tax liability of the
15 taxpayer's return for that month filed under this Section or
16 Section 2f, as the case may be. Once applicable, the
17 requirement of the making of quarter monthly payments to the
18 Department pursuant to this paragraph shall continue until
19 such taxpayer's average monthly prepaid tax collections during
20 the preceding 2 complete calendar quarters is \$25,000 or less.
21 If any such quarter monthly payment is not paid at the time or
22 in the amount required, the taxpayer shall be liable for
23 penalties and interest on such difference, except insofar as
24 the taxpayer has previously made payments for that month in
25 excess of the minimum payments previously due.

26 The provisions of this paragraph apply on and after

1 October 1, 2001. Without regard to whether a taxpayer is
2 required to make quarter monthly payments as specified above,
3 any taxpayer who is required by Section 2d of this Act to
4 collect and remit prepaid taxes and has collected prepaid
5 taxes that average in excess of \$20,000 per month during the
6 preceding 4 complete calendar quarters shall file a return
7 with the Department as required by Section 2f and shall make
8 payments to the Department on or before the 7th, 15th, 22nd,
9 and last day of the month during which the liability is
10 incurred. Each payment shall be in an amount equal to 22.5% of
11 the taxpayer's actual liability for the month or 25% of the
12 taxpayer's liability for the same calendar month of the
13 preceding year. The amount of the quarter monthly payments
14 shall be credited against the final tax liability of the
15 taxpayer's return for that month filed under this Section or
16 Section 2f, as the case may be. Once applicable, the
17 requirement of the making of quarter monthly payments to the
18 Department pursuant to this paragraph shall continue until the
19 taxpayer's average monthly prepaid tax collections during the
20 preceding 4 complete calendar quarters (excluding the month of
21 highest liability and the month of lowest liability) is less
22 than \$19,000 or until such taxpayer's average monthly
23 liability to the Department as computed for each calendar
24 quarter of the 4 preceding complete calendar quarters is less
25 than \$20,000. If any such quarter monthly payment is not paid
26 at the time or in the amount required, the taxpayer shall be

1 liable for penalties and interest on such difference, except
2 insofar as the taxpayer has previously made payments for that
3 month in excess of the minimum payments previously due.

4 If any payment provided for in this Section exceeds the
5 taxpayer's liabilities under this Act, the Use Tax Act, the
6 Service Occupation Tax Act, and the Service Use Tax Act, as
7 shown on an original monthly return, the Department shall, if
8 requested by the taxpayer, issue to the taxpayer a credit
9 memorandum no later than 30 days after the date of payment. The
10 credit evidenced by such credit memorandum may be assigned by
11 the taxpayer to a similar taxpayer under this Act, the Use Tax
12 Act, the Service Occupation Tax Act, or the Service Use Tax
13 Act, in accordance with reasonable rules and regulations to be
14 prescribed by the Department. If no such request is made, the
15 taxpayer may credit such excess payment against tax liability
16 subsequently to be remitted to the Department under this Act,
17 the Use Tax Act, the Service Occupation Tax Act, or the Service
18 Use Tax Act, in accordance with reasonable rules and
19 regulations prescribed by the Department. If the Department
20 subsequently determined that all or any part of the credit
21 taken was not actually due to the taxpayer, the taxpayer's
22 2.1% and 1.75% vendor's discount shall be reduced by 2.1% or
23 1.75% of the difference between the credit taken and that
24 actually due, and that taxpayer shall be liable for penalties
25 and interest on such difference.

26 If a retailer of motor fuel is entitled to a credit under

1 Section 2d of this Act which exceeds the taxpayer's liability
2 to the Department under this Act for the month for which the
3 taxpayer is filing a return, the Department shall issue the
4 taxpayer a credit memorandum for the excess.

5 Beginning January 1, 1990, each month the Department shall
6 pay into the Local Government Tax Fund, a special fund in the
7 State treasury which is hereby created, the net revenue
8 realized for the preceding month from the 1% tax imposed under
9 this Act.

10 Beginning January 1, 1990, each month the Department shall
11 pay into the County and Mass Transit District Fund, a special
12 fund in the State treasury which is hereby created, 4% of the
13 net revenue realized for the preceding month from the 6.25%
14 general rate other than aviation fuel sold on or after
15 December 1, 2019. This exception for aviation fuel only
16 applies for so long as the revenue use requirements of 49
17 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

18 Beginning August 1, 2000, each month the Department shall
19 pay into the County and Mass Transit District Fund 20% of the
20 net revenue realized for the preceding month from the 1.25%
21 rate on the selling price of motor fuel and gasohol. If, in any
22 month, the tax on sales tax holiday items, as defined in
23 Section 2-8, is imposed at the rate of 1.25%, then the
24 Department shall pay 20% of the net revenue realized for that
25 month from the 1.25% rate on the selling price of sales tax
26 holiday items into the County and Mass Transit District Fund.

1 Beginning January 1, 1990, each month the Department shall
2 pay into the Local Government Tax Fund 16% of the net revenue
3 realized for the preceding month from the 6.25% general rate
4 on the selling price of tangible personal property other than
5 aviation fuel sold on or after December 1, 2019. This
6 exception for aviation fuel only applies for so long as the
7 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
8 47133 are binding on the State.

9 For aviation fuel sold on or after December 1, 2019, each
10 month the Department shall pay into the State Aviation Program
11 Fund 20% of the net revenue realized for the preceding month
12 from the 6.25% general rate on the selling price of aviation
13 fuel, less an amount estimated by the Department to be
14 required for refunds of the 20% portion of the tax on aviation
15 fuel under this Act, which amount shall be deposited into the
16 Aviation Fuel Sales Tax Refund Fund. The Department shall only
17 pay moneys into the State Aviation Program Fund and the
18 Aviation Fuel Sales Tax Refund Fund under this Act for so long
19 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
20 U.S.C. 47133 are binding on the State.

21 Beginning August 1, 2000, each month the Department shall
22 pay into the Local Government Tax Fund 80% of the net revenue
23 realized for the preceding month from the 1.25% rate on the
24 selling price of motor fuel and gasohol. If, in any month, the
25 tax on sales tax holiday items, as defined in Section 2-8, is
26 imposed at the rate of 1.25%, then the Department shall pay 80%

1 of the net revenue realized for that month from the 1.25% rate
2 on the selling price of sales tax holiday items into the Local
3 Government Tax Fund.

4 Beginning October 1, 2009, each month the Department shall
5 pay into the Capital Projects Fund an amount that is equal to
6 an amount estimated by the Department to represent 80% of the
7 net revenue realized for the preceding month from the sale of
8 candy, grooming and hygiene products, and soft drinks that had
9 been taxed at a rate of 1% prior to September 1, 2009 but that
10 are now taxed at 6.25%.

11 Beginning July 1, 2011, each month the Department shall
12 pay into the Clean Air Act Permit Fund 80% of the net revenue
13 realized for the preceding month from the 6.25% general rate
14 on the selling price of sorbents used in Illinois in the
15 process of sorbent injection as used to comply with the
16 Environmental Protection Act or the federal Clean Air Act, but
17 the total payment into the Clean Air Act Permit Fund under this
18 Act and the Use Tax Act shall not exceed \$2,000,000 in any
19 fiscal year.

20 Beginning July 1, 2013, each month the Department shall
21 pay into the Underground Storage Tank Fund from the proceeds
22 collected under this Act, the Use Tax Act, the Service Use Tax
23 Act, and the Service Occupation Tax Act an amount equal to the
24 average monthly deficit in the Underground Storage Tank Fund
25 during the prior year, as certified annually by the Illinois
26 Environmental Protection Agency, but the total payment into

1 the Underground Storage Tank Fund under this Act, the Use Tax
2 Act, the Service Use Tax Act, and the Service Occupation Tax
3 Act shall not exceed \$18,000,000 in any State fiscal year. As
4 used in this paragraph, the "average monthly deficit" shall be
5 equal to the difference between the average monthly claims for
6 payment by the fund and the average monthly revenues deposited
7 into the fund, excluding payments made pursuant to this
8 paragraph.

9 Beginning July 1, 2015, of the remainder of the moneys
10 received by the Department under the Use Tax Act, the Service
11 Use Tax Act, the Service Occupation Tax Act, and this Act, each
12 month the Department shall deposit \$500,000 into the State
13 Crime Laboratory Fund.

14 Of the remainder of the moneys received by the Department
15 pursuant to this Act, (a) 1.75% thereof shall be paid into the
16 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
17 and after July 1, 1989, 3.8% thereof shall be paid into the
18 Build Illinois Fund; provided, however, that if in any fiscal
19 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
20 may be, of the moneys received by the Department and required
21 to be paid into the Build Illinois Fund pursuant to this Act,
22 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax
23 Act, and Section 9 of the Service Occupation Tax Act, such Acts
24 being hereinafter called the "Tax Acts" and such aggregate of
25 2.2% or 3.8%, as the case may be, of moneys being hereinafter
26 called the "Tax Act Amount", and (2) the amount transferred to

1 the Build Illinois Fund from the State and Local Sales Tax
2 Reform Fund shall be less than the Annual Specified Amount (as
3 hereinafter defined), an amount equal to the difference shall
4 be immediately paid into the Build Illinois Fund from other
5 moneys received by the Department pursuant to the Tax Acts;
6 the "Annual Specified Amount" means the amounts specified
7 below for fiscal years 1986 through 1993:

8	Fiscal Year	Annual Specified Amount
9	1986	\$54,800,000
10	1987	\$76,650,000
11	1988	\$80,480,000
12	1989	\$88,510,000
13	1990	\$115,330,000
14	1991	\$145,470,000
15	1992	\$182,730,000
16	1993	\$206,520,000;

17 and means the Certified Annual Debt Service Requirement (as
18 defined in Section 13 of the Build Illinois Bond Act) or the
19 Tax Act Amount, whichever is greater, for fiscal year 1994 and
20 each fiscal year thereafter; and further provided, that if on
21 the last business day of any month the sum of (1) the Tax Act
22 Amount required to be deposited into the Build Illinois Bond
23 Account in the Build Illinois Fund during such month and (2)
24 the amount transferred to the Build Illinois Fund from the
25 State and Local Sales Tax Reform Fund shall have been less than
26 1/12 of the Annual Specified Amount, an amount equal to the

1 difference shall be immediately paid into the Build Illinois
2 Fund from other moneys received by the Department pursuant to
3 the Tax Acts; and, further provided, that in no event shall the
4 payments required under the preceding proviso result in
5 aggregate payments into the Build Illinois Fund pursuant to
6 this clause (b) for any fiscal year in excess of the greater of
7 (i) the Tax Act Amount or (ii) the Annual Specified Amount for
8 such fiscal year. The amounts payable into the Build Illinois
9 Fund under clause (b) of the first sentence in this paragraph
10 shall be payable only until such time as the aggregate amount
11 on deposit under each trust indenture securing Bonds issued
12 and outstanding pursuant to the Build Illinois Bond Act is
13 sufficient, taking into account any future investment income,
14 to fully provide, in accordance with such indenture, for the
15 defeasance of or the payment of the principal of, premium, if
16 any, and interest on the Bonds secured by such indenture and on
17 any Bonds expected to be issued thereafter and all fees and
18 costs payable with respect thereto, all as certified by the
19 Director of the Bureau of the Budget (now Governor's Office of
20 Management and Budget). If on the last business day of any
21 month in which Bonds are outstanding pursuant to the Build
22 Illinois Bond Act, the aggregate of moneys deposited in the
23 Build Illinois Bond Account in the Build Illinois Fund in such
24 month shall be less than the amount required to be transferred
25 in such month from the Build Illinois Bond Account to the Build
26 Illinois Bond Retirement and Interest Fund pursuant to Section

1 13 of the Build Illinois Bond Act, an amount equal to such
2 deficiency shall be immediately paid from other moneys
3 received by the Department pursuant to the Tax Acts to the
4 Build Illinois Fund; provided, however, that any amounts paid
5 to the Build Illinois Fund in any fiscal year pursuant to this
6 sentence shall be deemed to constitute payments pursuant to
7 clause (b) of the first sentence of this paragraph and shall
8 reduce the amount otherwise payable for such fiscal year
9 pursuant to that clause (b). The moneys received by the
10 Department pursuant to this Act and required to be deposited
11 into the Build Illinois Fund are subject to the pledge, claim
12 and charge set forth in Section 12 of the Build Illinois Bond
13 Act.

14 Subject to payment of amounts into the Build Illinois Fund
15 as provided in the preceding paragraph or in any amendment
16 thereto hereafter enacted, the following specified monthly
17 installment of the amount requested in the certificate of the
18 Chairman of the Metropolitan Pier and Exposition Authority
19 provided under Section 8.25f of the State Finance Act, but not
20 in excess of sums designated as "Total Deposit", shall be
21 deposited in the aggregate from collections under Section 9 of
22 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
23 9 of the Service Occupation Tax Act, and Section 3 of the
24 Retailers' Occupation Tax Act into the McCormick Place
25 Expansion Project Fund in the specified fiscal years.

26 Fiscal Year

Total Deposit

1	1993	\$0
2	1994	53,000,000
3	1995	58,000,000
4	1996	61,000,000
5	1997	64,000,000
6	1998	68,000,000
7	1999	71,000,000
8	2000	75,000,000
9	2001	80,000,000
10	2002	93,000,000
11	2003	99,000,000
12	2004	103,000,000
13	2005	108,000,000
14	2006	113,000,000
15	2007	119,000,000
16	2008	126,000,000
17	2009	132,000,000
18	2010	139,000,000
19	2011	146,000,000
20	2012	153,000,000
21	2013	161,000,000
22	2014	170,000,000
23	2015	179,000,000
24	2016	189,000,000
25	2017	199,000,000
26	2018	210,000,000

1	2019	221,000,000
2	2020	233,000,000
3	2021	300,000,000
4	2022	300,000,000
5	2023	300,000,000
6	2024	300,000,000
7	2025	300,000,000
8	2026	300,000,000
9	2027	375,000,000
10	2028	375,000,000
11	2029	375,000,000
12	2030	375,000,000
13	2031	375,000,000
14	2032	375,000,000
15	2033	375,000,000
16	2034	375,000,000
17	2035	375,000,000
18	2036	450,000,000

19 and
20 each fiscal year
21 thereafter that bonds
22 are outstanding under
23 Section 13.2 of the
24 Metropolitan Pier and
25 Exposition Authority Act,
26 but not after fiscal year 2060.

1 Beginning July 20, 1993 and in each month of each fiscal
2 year thereafter, one-eighth of the amount requested in the
3 certificate of the Chairman of the Metropolitan Pier and
4 Exposition Authority for that fiscal year, less the amount
5 deposited into the McCormick Place Expansion Project Fund by
6 the State Treasurer in the respective month under subsection
7 (g) of Section 13 of the Metropolitan Pier and Exposition
8 Authority Act, plus cumulative deficiencies in the deposits
9 required under this Section for previous months and years,
10 shall be deposited into the McCormick Place Expansion Project
11 Fund, until the full amount requested for the fiscal year, but
12 not in excess of the amount specified above as "Total
13 Deposit", has been deposited.

14 Subject to payment of amounts into the Capital Projects
15 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
16 and the McCormick Place Expansion Project Fund pursuant to the
17 preceding paragraphs or in any amendments thereto hereafter
18 enacted, for aviation fuel sold on or after December 1, 2019,
19 the Department shall each month deposit into the Aviation Fuel
20 Sales Tax Refund Fund an amount estimated by the Department to
21 be required for refunds of the 80% portion of the tax on
22 aviation fuel under this Act. The Department shall only
23 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
24 under this paragraph for so long as the revenue use
25 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
26 binding on the State.

1 Subject to payment of amounts into the Build Illinois Fund
2 and the McCormick Place Expansion Project Fund pursuant to the
3 preceding paragraphs or in any amendments thereto hereafter
4 enacted, beginning July 1, 1993 and ending on September 30,
5 2013, the Department shall each month pay into the Illinois
6 Tax Increment Fund 0.27% of 80% of the net revenue realized for
7 the preceding month from the 6.25% general rate on the selling
8 price of tangible personal property.

9 Subject to payment of amounts into the Build Illinois
10 Fund, the McCormick Place Expansion Project Fund, and the
11 Illinois Tax Increment Fund pursuant to the preceding
12 paragraphs or in any amendments to this Section hereafter
13 enacted, beginning on the first day of the first calendar
14 month to occur on or after August 26, 2014 (the effective date
15 of Public Act 98-1098), each month, from the collections made
16 under Section 9 of the Use Tax Act, Section 9 of the Service
17 Use Tax Act, Section 9 of the Service Occupation Tax Act, and
18 Section 3 of the Retailers' Occupation Tax Act, the Department
19 shall pay into the Tax Compliance and Administration Fund, to
20 be used, subject to appropriation, to fund additional auditors
21 and compliance personnel at the Department of Revenue, an
22 amount equal to 1/12 of 5% of 80% of the cash receipts
23 collected during the preceding fiscal year by the Audit Bureau
24 of the Department under the Use Tax Act, the Service Use Tax
25 Act, the Service Occupation Tax Act, the Retailers' Occupation
26 Tax Act, and associated local occupation and use taxes

1 administered by the Department.

2 Subject to payments of amounts into the Build Illinois
3 Fund, the McCormick Place Expansion Project Fund, the Illinois
4 Tax Increment Fund, the Energy Infrastructure Fund, and the
5 Tax Compliance and Administration Fund as provided in this
6 Section, beginning on July 1, 2018 the Department shall pay
7 each month into the Downstate Public Transportation Fund the
8 moneys required to be so paid under Section 2-3 of the
9 Downstate Public Transportation Act.

10 Subject to successful execution and delivery of a
11 public-private agreement between the public agency and private
12 entity and completion of the civic build, beginning on July 1,
13 2023, of the remainder of the moneys received by the
14 Department under the Use Tax Act, the Service Use Tax Act, the
15 Service Occupation Tax Act, and this Act, the Department shall
16 deposit the following specified deposits in the aggregate from
17 collections under the Use Tax Act, the Service Use Tax Act, the
18 Service Occupation Tax Act, and the Retailers' Occupation Tax
19 Act, as required under Section 8.25g of the State Finance Act
20 for distribution consistent with the Public-Private
21 Partnership for Civic and Transit Infrastructure Project Act.
22 The moneys received by the Department pursuant to this Act and
23 required to be deposited into the Civic and Transit
24 Infrastructure Fund are subject to the pledge, claim and
25 charge set forth in Section 25-55 of the Public-Private
26 Partnership for Civic and Transit Infrastructure Project Act.

1 As used in this paragraph, "civic build", "private entity",
 2 "public-private agreement", and "public agency" have the
 3 meanings provided in Section 25-10 of the Public-Private
 4 Partnership for Civic and Transit Infrastructure Project Act.

5	Fiscal Year.....	Total Deposit
6	2024	\$200,000,000
7	2025	\$206,000,000
8	2026	\$212,200,000
9	2027	\$218,500,000
10	2028	\$225,100,000
11	2029	\$288,700,000
12	2030	\$298,900,000
13	2031	\$309,300,000
14	2032	\$320,100,000
15	2033	\$331,200,000
16	2034	\$341,200,000
17	2035	\$351,400,000
18	2036	\$361,900,000
19	2037	\$372,800,000
20	2038	\$384,000,000
21	2039	\$395,500,000
22	2040	\$407,400,000
23	2041	\$419,600,000
24	2042	\$432,200,000
25	2043	\$445,100,000

26 Beginning July 1, 2021 and until July 1, 2022, subject to

1 the payment of amounts into the County and Mass Transit
2 District Fund, the Local Government Tax Fund, the Build
3 Illinois Fund, the McCormick Place Expansion Project Fund, the
4 Illinois Tax Increment Fund, and the Tax Compliance and
5 Administration Fund as provided in this Section, the
6 Department shall pay each month into the Road Fund the amount
7 estimated to represent 16% of the net revenue realized from
8 the taxes imposed on motor fuel and gasohol. Beginning July 1,
9 2022 and until July 1, 2023, subject to the payment of amounts
10 into the County and Mass Transit District Fund, the Local
11 Government Tax Fund, the Build Illinois Fund, the McCormick
12 Place Expansion Project Fund, the Illinois Tax Increment Fund,
13 and the Tax Compliance and Administration Fund as provided in
14 this Section, the Department shall pay each month into the
15 Road Fund the amount estimated to represent 32% of the net
16 revenue realized from the taxes imposed on motor fuel and
17 gasohol. Beginning July 1, 2023 and until July 1, 2024,
18 subject to the payment of amounts into the County and Mass
19 Transit District Fund, the Local Government Tax Fund, the
20 Build Illinois Fund, the McCormick Place Expansion Project
21 Fund, the Illinois Tax Increment Fund, and the Tax Compliance
22 and Administration Fund as provided in this Section, the
23 Department shall pay each month into the Road Fund the amount
24 estimated to represent 48% of the net revenue realized from
25 the taxes imposed on motor fuel and gasohol. Beginning July 1,
26 2024 and until July 1, 2025, subject to the payment of amounts

1 into the County and Mass Transit District Fund, the Local
2 Government Tax Fund, the Build Illinois Fund, the McCormick
3 Place Expansion Project Fund, the Illinois Tax Increment Fund,
4 and the Tax Compliance and Administration Fund as provided in
5 this Section, the Department shall pay each month into the
6 Road Fund the amount estimated to represent 64% of the net
7 revenue realized from the taxes imposed on motor fuel and
8 gasohol. Beginning on July 1, 2025, subject to the payment of
9 amounts into the County and Mass Transit District Fund, the
10 Local Government Tax Fund, the Build Illinois Fund, the
11 McCormick Place Expansion Project Fund, the Illinois Tax
12 Increment Fund, and the Tax Compliance and Administration Fund
13 as provided in this Section, the Department shall pay each
14 month into the Road Fund the amount estimated to represent 80%
15 of the net revenue realized from the taxes imposed on motor
16 fuel and gasohol. As used in this paragraph "motor fuel" has
17 the meaning given to that term in Section 1.1 of the Motor Fuel
18 Tax Law, and "gasohol" has the meaning given to that term in
19 Section 3-40 of the Use Tax Act.

20 Of the remainder of the moneys received by the Department
21 pursuant to this Act, 75% thereof shall be paid into the State
22 treasury and 25% shall be reserved in a special account and
23 used only for the transfer to the Common School Fund as part of
24 the monthly transfer from the General Revenue Fund in
25 accordance with Section 8a of the State Finance Act.

26 The Department may, upon separate written notice to a

1 taxpayer, require the taxpayer to prepare and file with the
2 Department on a form prescribed by the Department within not
3 less than 60 days after receipt of the notice an annual
4 information return for the tax year specified in the notice.
5 Such annual return to the Department shall include a statement
6 of gross receipts as shown by the retailer's last federal
7 ~~Federal~~ income tax return. If the total receipts of the
8 business as reported in the federal ~~Federal~~ income tax return
9 do not agree with the gross receipts reported to the
10 Department of Revenue for the same period, the retailer shall
11 attach to his annual return a schedule showing a
12 reconciliation of the 2 amounts and the reasons for the
13 difference. The retailer's annual return to the Department
14 shall also disclose the cost of goods sold by the retailer
15 during the year covered by such return, opening and closing
16 inventories of such goods for such year, costs of goods used
17 from stock or taken from stock and given away by the retailer
18 during such year, payroll information of the retailer's
19 business during such year and any additional reasonable
20 information which the Department deems would be helpful in
21 determining the accuracy of the monthly, quarterly, or annual
22 returns filed by such retailer as provided for in this
23 Section.

24 If the annual information return required by this Section
25 is not filed when and as required, the taxpayer shall be liable
26 as follows:

1 (i) Until January 1, 1994, the taxpayer shall be
2 liable for a penalty equal to 1/6 of 1% of the tax due from
3 such taxpayer under this Act during the period to be
4 covered by the annual return for each month or fraction of
5 a month until such return is filed as required, the
6 penalty to be assessed and collected in the same manner as
7 any other penalty provided for in this Act.

8 (ii) On and after January 1, 1994, the taxpayer shall
9 be liable for a penalty as described in Section 3-4 of the
10 Uniform Penalty and Interest Act.

11 The chief executive officer, proprietor, owner, or highest
12 ranking manager shall sign the annual return to certify the
13 accuracy of the information contained therein. Any person who
14 willfully signs the annual return containing false or
15 inaccurate information shall be guilty of perjury and punished
16 accordingly. The annual return form prescribed by the
17 Department shall include a warning that the person signing the
18 return may be liable for perjury.

19 The provisions of this Section concerning the filing of an
20 annual information return do not apply to a retailer who is not
21 required to file an income tax return with the United States
22 Government.

23 As soon as possible after the first day of each month, upon
24 certification of the Department of Revenue, the Comptroller
25 shall order transferred and the Treasurer shall transfer from
26 the General Revenue Fund to the Motor Fuel Tax Fund an amount

1 equal to 1.7% of 80% of the net revenue realized under this Act
2 for the second preceding month. Beginning April 1, 2000, this
3 transfer is no longer required and shall not be made.

4 Net revenue realized for a month shall be the revenue
5 collected by the State pursuant to this Act, less the amount
6 paid out during that month as refunds to taxpayers for
7 overpayment of liability.

8 For greater simplicity of administration, manufacturers,
9 importers and wholesalers whose products are sold at retail in
10 Illinois by numerous retailers, and who wish to do so, may
11 assume the responsibility for accounting and paying to the
12 Department all tax accruing under this Act with respect to
13 such sales, if the retailers who are affected do not make
14 written objection to the Department to this arrangement.

15 Any person who promotes, organizes, or provides retail
16 selling space for concessionaires or other types of sellers at
17 the Illinois State Fair, DuQuoin State Fair, county fairs,
18 local fairs, art shows, flea markets, and similar exhibitions
19 or events, including any transient merchant as defined by
20 Section 2 of the Transient Merchant Act of 1987, is required to
21 file a report with the Department providing the name of the
22 merchant's business, the name of the person or persons engaged
23 in merchant's business, the permanent address and Illinois
24 Retailers Occupation Tax Registration Number of the merchant,
25 the dates and location of the event, and other reasonable
26 information that the Department may require. The report must

1 be filed not later than the 20th day of the month next
2 following the month during which the event with retail sales
3 was held. Any person who fails to file a report required by
4 this Section commits a business offense and is subject to a
5 fine not to exceed \$250.

6 Any person engaged in the business of selling tangible
7 personal property at retail as a concessionaire or other type
8 of seller at the Illinois State Fair, county fairs, art shows,
9 flea markets, and similar exhibitions or events, or any
10 transient merchants, as defined by Section 2 of the Transient
11 Merchant Act of 1987, may be required to make a daily report of
12 the amount of such sales to the Department and to make a daily
13 payment of the full amount of tax due. The Department shall
14 impose this requirement when it finds that there is a
15 significant risk of loss of revenue to the State at such an
16 exhibition or event. Such a finding shall be based on evidence
17 that a substantial number of concessionaires or other sellers
18 who are not residents of Illinois will be engaging in the
19 business of selling tangible personal property at retail at
20 the exhibition or event, or other evidence of a significant
21 risk of loss of revenue to the State. The Department shall
22 notify concessionaires and other sellers affected by the
23 imposition of this requirement. In the absence of notification
24 by the Department, the concessionaires and other sellers shall
25 file their returns as otherwise required in this Section.

26 (Source: P.A. 102-634, eff. 8-27-21; 102-700, Article 60,

1 Section 60-30, eff. 4-19-22; 102-700, Article 65, Section
2 65-10, eff. 4-19-22; 102-813, eff. 5-13-22; 102-1019, eff.
3 1-1-23; 103-9, eff. 6-7-23; 103-154, eff. 6-30-23; 103-363,
4 eff. 7-28-23; revised 9-27-23.)

5 Section 800-35. The Counties Code is amended by changing
6 Section 5-1009 and by adding Section 5-1189 as follows:

7 (55 ILCS 5/5-1009) (from Ch. 34, par. 5-1009)

8 Sec. 5-1009. Limitation on home rule powers. Except as
9 provided in Sections 5-1006, 5-1006.5, 5-1006.8, 5-1007, ~~and~~
10 5-1008, and 5-1189, on and after September 1, 1990, no home
11 rule county has the authority to impose, pursuant to its home
12 rule authority, a retailers' occupation tax, service
13 occupation tax, use tax, sales tax or other tax on the use,
14 sale or purchase of tangible personal property based on the
15 gross receipts from such sales or the selling or purchase
16 price of said tangible personal property. Notwithstanding the
17 foregoing, this Section does not preempt any home rule imposed
18 tax such as the following: (1) a tax on alcoholic beverages,
19 whether based on gross receipts, volume sold or any other
20 measurement; (2) a tax based on the number of units of
21 cigarettes or tobacco products; (3) a tax, however measured,
22 based on the use of a hotel or motel room or similar facility;
23 (4) a tax, however measured, on the sale or transfer of real
24 property; (5) a tax, however measured, on lease receipts; (6)

1 a tax on food prepared for immediate consumption and on
2 alcoholic beverages sold by a business which provides for on
3 premise consumption of said food or alcoholic beverages; or
4 (7) other taxes not based on the selling or purchase price or
5 gross receipts from the use, sale or purchase of tangible
6 personal property. This Section does not preempt a home rule
7 county from imposing a tax, however measured, on the use, for
8 consideration, of a parking lot, garage, or other parking
9 facility.

10 On and after December 1, 2019, no home rule county has the
11 authority to impose, pursuant to its home rule authority, a
12 tax, however measured, on sales of aviation fuel, as defined
13 in Section 3 of the Retailers' Occupation Tax Act, unless the
14 tax revenue is expended for airport-related purposes. For
15 purposes of this Section, "airport-related purposes" has the
16 meaning ascribed in Section 6z-20.2 of the State Finance Act.
17 Aviation fuel shall be excluded from tax only for so long as
18 the revenue use requirements of 49 U.S.C. 47017(b) and 49
19 U.S.C. 47133 are binding on the county.

20 This Section is a limitation, pursuant to subsection (g)
21 of Section 6 of Article VII of the Illinois Constitution, on
22 the power of home rule units to tax. The changes made to this
23 Section by Public Act 101-10 are a denial and limitation of
24 home rule powers and functions under subsection (g) of Section
25 6 of Article VII of the Illinois Constitution.

26 (Source: P.A. 101-10, eff. 6-5-19; 101-27, eff. 6-25-19;

1 102-558, eff. 8-20-21.)

2 (55 ILCS 5/5-1189 new)

3 Sec. 5-1189. County Hemp Concentrate derived product
4 retailers' Occupation Tax Law.

5 (a) This Section may be referred to as the County Hemp
6 Concentrate derived product retailers' Occupation Tax Law.

7 (b) The corporate authorities of any county may, by
8 ordinance, impose a tax upon all persons engaged in the
9 business of selling hemp concentrate derived products, as that
10 term is defined in Section 1-5 of the Hemp Cannabinoid
11 Products Act, at retail in the county on the gross receipts
12 from these sales made in the course of that business. If
13 imposed, the tax shall be imposed only in 0.25% increments.
14 The tax rate may not exceed: (i) 3.75% of the gross receipts of
15 sales made in unincorporated areas of the county; and (ii) 3%
16 of the gross receipts of sales made in a municipality located
17 in the county. The tax imposed under this Section and all civil
18 penalties that may be assessed as an incident of the tax shall
19 be collected and enforced by the Department of Revenue. The
20 Department of Revenue shall administer and enforce this
21 Section; collect all taxes and penalties due under this
22 Section; dispose of taxes and penalties so collected in the
23 manner provided in this Section; and determine all rights to
24 credit memoranda arising on account of the erroneous payment
25 of tax or penalty under this Section. In the administration of

1 and compliance with this Section, the Department of Revenue
2 and persons who are subject to this Section shall have the same
3 rights, remedies, privileges, immunities, powers and duties,
4 shall be subject to the same conditions, restrictions,
5 limitations, penalties, and definitions of terms, and shall
6 employ the same modes of procedure as are described in
7 Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65
8 in respect to all provisions therein other than the State rate
9 of tax, 2a, 2b, 2c, 2i, 3 except as to the disposition of taxes
10 and penalties collected, 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h,
11 5i, 5j, 5k, 5l, 6, 6a, 6bb, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12,
12 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of
13 the Uniform Penalty and Interest Act as fully as if those
14 provisions were set forth in this Section.

15 (c) Persons subject to a tax imposed under the authority
16 granted in this Section may reimburse themselves for their
17 seller's tax liability under this Section by separately
18 stating that tax as an additional charge, which charge may be
19 stated in combination, in a single amount, with any State tax
20 that sellers are required to collect.

21 (d) Whenever the Department of Revenue determines that a
22 refund should be made under this Section to a claimant instead
23 of issuing a credit memorandum, the Department of Revenue
24 shall notify the State Comptroller, who shall cause the order
25 to be drawn for the amount specified and to the person named in
26 the notification from the Department of Revenue.

1 (e) The Department of Revenue shall immediately pay over
2 to the State Treasurer, ex officio, as trustee, all taxes and
3 penalties collected under this Section for deposit into the
4 Local Cannabis Retailers' Occupation Tax Trust Fund.

5 (f) On or before the 25th day of each calendar month, the
6 Department of Revenue shall prepare and certify to the
7 Comptroller the amount of money to be disbursed from the Local
8 Cannabis Retailers' Occupation Tax Trust Fund to counties from
9 which retailers have paid taxes or penalties under this
10 Section during the second preceding calendar month. The amount
11 to be paid to each county shall be the amount, not including
12 credit memoranda, collected under this Section from sales made
13 in the county during the second preceding calendar month, plus
14 an amount the Department of Revenue determines is necessary to
15 offset any amounts that were erroneously paid to a different
16 taxing body, and not including an amount equal to the amount of
17 refunds made during the second preceding calendar month by the
18 Department on behalf of such county, and not including any
19 amount that the Department determines is necessary to offset
20 any amounts that were payable to a different taxing body but
21 were erroneously paid to the county, less 1.5% of the
22 remainder, which the Department shall transfer into the Tax
23 Compliance and Administration Fund. The Department, at the
24 time of each monthly disbursement to the counties, shall
25 prepare and certify the State Comptroller the amount to be
26 transferred into the Tax Compliance and Administration Fund

1 under this Section. Within 10 days after receipt by the
2 Comptroller of the disbursement certification to the counties
3 and the Tax Compliance and Administration Fund provided for in
4 this Section to be given to the Comptroller by the Department,
5 the Comptroller shall cause the orders to be drawn for the
6 respective amounts in accordance with the directions contained
7 in the certification.

8 (g) An ordinance or resolution imposing or discontinuing a
9 tax under this Section or effecting a change in the rate
10 thereof that is adopted on or after the effective date of this
11 amendatory Act of the 103rd General Assembly for which a
12 certified copy is filed with the Department on or before April
13 1, 2025 shall be administered and enforced by the Department
14 beginning on July 1, 2025. For ordinances filed with the
15 Department after April 1, 2025, an ordinance or resolution
16 imposing or discontinuing a tax under this Section or
17 effecting a change in the rate thereof shall either (i) be
18 adopted and a certified copy thereof filed with the Department
19 on or before the first day of April, whereupon the Department
20 shall proceed to administer and enforce this Section as of the
21 first day of July next following the adoption and filing; or
22 (ii) be adopted and a certified copy thereof filed with the
23 Department on or before the first day of October, whereupon
24 the Department shall proceed to administer and enforce this
25 Section as of the first day of January next following the
26 adoption and filing.

1 Section 800-40. The Illinois Municipal Code is amended by
2 changing Section 8-11-6a and by adding Section 8-11-24 as
3 follows:

4 (65 ILCS 5/8-11-6a) (from Ch. 24, par. 8-11-6a)

5 Sec. 8-11-6a. Home rule municipalities; preemption of
6 certain taxes. Except as provided in Sections 8-11-1, 8-11-5,
7 8-11-6, 8-11-6b, 8-11-6c, 8-11-23, 8-11-24, and 11-74.3-6 on
8 and after September 1, 1990, no home rule municipality has the
9 authority to impose, pursuant to its home rule authority, a
10 retailer's occupation tax, service occupation tax, use tax,
11 sales tax or other tax on the use, sale or purchase of tangible
12 personal property based on the gross receipts from such sales
13 or the selling or purchase price of said tangible personal
14 property. Notwithstanding the foregoing, this Section does not
15 preempt any home rule imposed tax such as the following: (1) a
16 tax on alcoholic beverages, whether based on gross receipts,
17 volume sold or any other measurement; (2) a tax based on the
18 number of units of cigarettes or tobacco products (provided,
19 however, that a home rule municipality that has not imposed a
20 tax based on the number of units of cigarettes or tobacco
21 products before July 1, 1993, shall not impose such a tax after
22 that date); (3) a tax, however measured, based on the use of a
23 hotel or motel room or similar facility; (4) a tax, however
24 measured, on the sale or transfer of real property; (5) a tax,

1 however measured, on lease receipts; (6) a tax on food
2 prepared for immediate consumption and on alcoholic beverages
3 sold by a business which provides for on premise consumption
4 of said food or alcoholic beverages; or (7) other taxes not
5 based on the selling or purchase price or gross receipts from
6 the use, sale or purchase of tangible personal property. This
7 Section does not preempt a home rule municipality with a
8 population of more than 2,000,000 from imposing a tax, however
9 measured, on the use, for consideration, of a parking lot,
10 garage, or other parking facility. This Section is not
11 intended to affect any existing tax on food and beverages
12 prepared for immediate consumption on the premises where the
13 sale occurs, or any existing tax on alcoholic beverages, or
14 any existing tax imposed on the charge for renting a hotel or
15 motel room, which was in effect January 15, 1988, or any
16 extension of the effective date of such an existing tax by
17 ordinance of the municipality imposing the tax, which
18 extension is hereby authorized, in any non-home rule
19 municipality in which the imposition of such a tax has been
20 upheld by judicial determination, nor is this Section intended
21 to preempt the authority granted by Public Act 85-1006. On and
22 after December 1, 2019, no home rule municipality has the
23 authority to impose, pursuant to its home rule authority, a
24 tax, however measured, on sales of aviation fuel, as defined
25 in Section 3 of the Retailers' Occupation Tax Act, unless the
26 tax is not subject to the revenue use requirements of 49 U.S.C.

1 47107(b) and 49 U.S.C. 47133, or unless the tax revenue is
2 expended for airport-related purposes. For purposes of this
3 Section, "airport-related purposes" has the meaning ascribed
4 in Section 6z-20.2 of the State Finance Act. Aviation fuel
5 shall be excluded from tax only if, and for so long as, the
6 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
7 47133 are binding on the municipality. This Section is a
8 limitation, pursuant to subsection (g) of Section 6 of Article
9 VII of the Illinois Constitution, on the power of home rule
10 units to tax. The changes made to this Section by Public Act
11 101-10 are a denial and limitation of home rule powers and
12 functions under subsection (g) of Section 6 of Article VII of
13 the Illinois Constitution.

14 (Source: P.A. 101-10, eff. 6-5-19; 101-27, eff. 6-25-19;
15 101-593, eff. 12-4-19.)

16 (65 ILCS 5/8-11-24 new)

17 Sec. 8-11-24. Municipal Hemp Concentrate derived product
18 retailers' Occupation Tax Law.

19 (a) This Section may be referred to as the Municipal Hemp
20 Concentrate derived product retailers' Occupation Tax Law.

21 (b) The corporate authorities of any municipality may, by
22 ordinance, impose a tax upon all persons engaged in the
23 business of selling hemp concentrate derived products, as that
24 term is defined in Section 1-5 of the Hemp Cannabinoid
25 Products Act, at retail in the municipality on the gross

1 receipts from these sales made in the course of that business.
2 If imposed, the tax may not exceed 3% of the gross receipts
3 from these sales and shall only be imposed in 1/4% increments.
4 The tax imposed under this Section and all civil penalties
5 that may be assessed as an incident of the tax shall be
6 collected and enforced by the Department of Revenue. The
7 Department of Revenue shall administer and enforce this
8 Section; collect all taxes and penalties due under this
9 Section; dispose of taxes and penalties so collected in the
10 manner hereinafter provided; and determine all rights to
11 credit memoranda arising on account of the erroneous payment
12 of tax or penalty under this Section. In the administration of
13 and compliance with this Section, the Department and persons
14 who are subject to this Section shall have the same rights,
15 remedies, privileges, immunities, powers and duties, shall be
16 subject to the same conditions, restrictions, limitations,
17 penalties and definitions of terms, and shall employ the same
18 modes of procedure as are prescribed in Sections 1, 1a, 1d, 1e,
19 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65 in respect to all
20 provisions therein other than the State rate of tax, 2a, 2b,
21 2c, 2i, 3 except as to the disposition of taxes and penalties
22 collected, 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k,
23 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the
24 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
25 Penalty and Interest Act, as fully as if those provisions were
26 set forth in this Section.

1 (c) Persons subject to a tax imposed under the authority
2 granted in this Section may reimburse themselves for their
3 seller's tax liability under this Section by separately
4 stating that tax as an additional charge, which charge may be
5 stated in combination, in a single amount, with any State tax
6 that sellers are required to collect.

7 (d) Whenever the Department of Revenue determines that a
8 refund should be made under this Section to a claimant instead
9 of issuing a credit memorandum, the Department of Revenue
10 shall notify the State Comptroller, who shall cause the order
11 to be drawn for the amount specified and to the person named in
12 the notification from the Department of Revenue.

13 (e) The Department of Revenue shall immediately pay over
14 to the State Treasurer, ex officio, as trustee, all taxes and
15 penalties collected under this Section for deposit into the
16 Local Cannabis Retailers' Occupation Tax Trust Fund.

17 (f) On or before the 25th day of each calendar month, the
18 Department of Revenue shall prepare and certify to the
19 Comptroller the amount of money to be disbursed from the Local
20 Cannabis Retailers' Occupation Tax Trust Fund to
21 municipalities from which retailers have paid taxes or
22 penalties under this Section during the second preceding
23 calendar month. The amount to be paid to each municipality
24 shall be the amount, not including credit memoranda, collected
25 under this Section from sales made in the municipality during
26 the second preceding calendar month, plus an amount the

1 Department of Revenue determines is necessary to offset any
2 amounts that were erroneously paid to a different taxing body,
3 and not including an amount equal to the amount of refunds made
4 during the second preceding calendar month by the Department
5 on behalf of such municipality, and not including any amount
6 that the Department determines is necessary to offset any
7 amounts that were payable to a different taxing body but were
8 erroneously paid to the municipality, less 1.5% of the
9 remainder, which the Department shall transfer into the Tax
10 Compliance and Administration Fund. The Department, at the
11 time of each monthly disbursement to the municipalities, shall
12 prepare and certify to the State Comptroller the amount to be
13 transferred into the Tax Compliance and Administration Fund
14 under this Section. Within 10 days after receipt by the
15 Comptroller of the disbursement certification to the
16 municipalities and the Tax Compliance and Administration Fund
17 provided for in this Section to be given to the Comptroller by
18 the Department, the Comptroller shall cause the orders to be
19 drawn for the respective amounts in accordance with the
20 directions contained in the certification.

21 (g) An ordinance or resolution imposing or discontinuing a
22 tax under this Section or effecting a change in the rate
23 thereof that is adopted on or after the effective date of this
24 amendatory Act of the 103rd General Assembly and for which a
25 certified copy is filed with the Department on or before April
26 1, 2025 shall be administered and enforced by the Department

1 beginning on July 1, 2025. For ordinances filed with the
2 Department after April 1, 2025, an ordinance or resolution
3 imposing or discontinuing a tax under this Section or
4 effecting a change in the rate thereof shall either (i) be
5 adopted and a certified copy thereof filed with the Department
6 on or before the first day of April, whereupon the Department
7 shall proceed to administer and enforce this Section as of the
8 first day of July next following the adoption and filing; or
9 (ii) be adopted and a certified copy thereof filed with the
10 Department on or before the first day of October, whereupon
11 the Department shall proceed to administer and enforce this
12 Section as of the first day of January next following the
13 adoption and filing.

14 Section 800-45. The Cannabis Regulation and Tax Act is
15 amended by changing Sections 1-10, 5-11, 5-45, 10-10, 15-155,
16 and 55-35 and by adding Sections 15-35.5, 15-35.11, 20-60, and
17 35-22 as follows:

18 (410 ILCS 705/1-10)

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

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

24 "Adult Use Dispensing Organization License" means a

1 license issued by the Department of Financial and Professional
2 Regulation that permits a person to act as a dispensing
3 organization under this Act and any administrative rule made
4 in furtherance of this Act.

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

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

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

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

1 Applicants.

2 "Cannabis" means marijuana, hashish, and other substances
3 that are identified as including any parts of the plant
4 Cannabis sativa and including derivatives or subspecies, such
5 as indica, of all strains of cannabis, whether growing or not;
6 the seeds thereof, the resin extracted from any part of the
7 plant; and any compound, manufacture, salt, derivative,
8 mixture, or preparation of the plant, its seeds, or resin,
9 including tetrahydrocannabinol (THC) and all other naturally
10 produced cannabinol derivatives, whether produced directly or
11 indirectly by extraction; however, "cannabis" does not include
12 the mature stalks of the plant, fiber produced from the
13 stalks, oil or cake made from the seeds of the plant, any other
14 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 Cannabinoid 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 coins ~~coin~~ of the United
11 States.

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

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

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

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

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

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

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

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

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

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

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

26 (D) the area has an average unemployment rate, as

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

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

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

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

25 "Early Approval Adult Use Dispensing Organization at a
26 secondary site" means a license that permits a medical

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

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

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

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

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

1 different from any key or code that can be used to access
2 the residential building from the exterior; or

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

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

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

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

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

24 "Individual" means a natural person.

25 "Infuser organization" or "infuser" means a facility
26 operated by an organization or business that is licensed by

1 the Department of Agriculture to directly incorporate cannabis
2 or cannabis concentrate into a product formulation to produce
3 a cannabis-infused product.

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

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

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

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

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

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

1 from within an adjacent property.

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

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

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

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

1 to control the cannabis business establishment, a person who
2 assumes responsibility for the debts of the cannabis business
3 establishment and who is further defined in this Act.

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

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

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

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

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

26 "Qualifying Applicant" means an applicant that submitted

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

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

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

15 "Resided" means an individual's primary residence was
16 located within the relevant geographic area as established by
17 2 of the following:

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

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

22 (3) school records;

23 (4) a voter registration card;

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

- 1 (6) a paycheck stub;
- 2 (7) a utility bill;
- 3 (8) tax records; or
- 4 (9) any other proof of residency or other information
- 5 necessary to establish residence as provided by rule.

6 "Smoking" means the inhalation of smoke caused by the

7 combustion of cannabis.

8 "Social Equity Applicant" means an applicant that is an

9 Illinois resident that meets one of the following criteria:

10 (1) an applicant with at least 51% ownership and

11 control by one or more individuals who have resided for at

12 least 5 of the preceding 10 years in a Disproportionately

13 Impacted Area;

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

15 control by one or more individuals who:

16 (i) have been arrested for, convicted of, or

17 adjudicated delinquent for any offense that is

18 eligible for expungement under this Act; or

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

20 (3) for applicants with a minimum of 10 full-time

21 employees, an applicant with at least 51% of current

22 employees who:

23 (i) currently reside in a Disproportionately

24 Impacted Area; or

25 (ii) have been arrested for, convicted of, or

26 adjudicated delinquent for any offense that is

1 eligible for expungement under this Act or member of
2 an impacted family.

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

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

23 "Tied Applicant" means an application submitted by a
24 Dispensary Applicant pursuant to Section 15-30 that received
25 the same number of application points under Section 15-30 as
26 the Dispensary Applicant's final score as one or more

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

8 "Tied Applicant Lottery" means the process established
9 under 68 Ill. Adm. Code 1291.50 for awarding Conditional Adult
10 Use Dispensing Organization Licenses pursuant to Sections
11 15-25 and 15-30 among Eligible Tied Applicants.

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

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

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

1 organization.

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

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

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

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

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

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

23 (410 ILCS 705/5-11 new)

24 Sec. 5-11. Hemp and hemp derivatives in medical and adult
25 use cannabis products.

1 (a) In this Section, "industrial hemp" has the meaning
2 given to it under the Industrial Hemp Act.

3 (b) Cannabis business establishments that are licensed by
4 the Department of Agriculture as a craft grow organization or
5 an infuser organization and that meet the criteria set forth
6 in this Act as a Social Equity Applicant may infuse medical or
7 adult use cannabis products pursuant to this Act or the
8 Compassionate Use of Medicinal Cannabis Program Act with hemp
9 extract or hemp concentrate derived from industrial hemp as an
10 ingredient in cannabis-infused products offered for sale at a
11 dispensary licensed under this Act, including Section 15-35 or
12 Section 15-35.10.

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

15 (d) Industrial hemp may be procured from hemp
16 organizations licensed under the Hemp Cannabinoid Products Act
17 from within the State or any other state with a regulated
18 industrial hemp program.

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

25 (f) A licensed craft grower organization or infuser
26 organization that meets the criteria set forth in this Act as a

1 Social Equity Applicant must notify the Department of
2 Agriculture, on forms prescribed by the Department, of the
3 organization's intention to infuse or process intermediate
4 hemp products, hemp extract, or hemp concentrate, as those
5 terms are defined under the Hemp Cannabinoid Products Act.
6 Hemp concentrate derived product, as that term is defined
7 under the Hemp Cannabinoid Products Act, infused by a licensed
8 craft grower organization or infuser organization that meets
9 the criteria set forth in this Act as a Social Equity Applicant
10 may not contain more than 10 milligrams per serving or 100
11 milligrams per packaging of delta-8 tetrahydrocannabinol or
12 delta-9 tetrahydrocannabinol.

13 (g) Industrial hemp flower and biomass may be purchased
14 and extracted by licensed craft growers that meet the criteria
15 set forth in this Act as a Social Equity Applicant.

16 (h) Licensed cannabis cultivation centers and licensed
17 craft growers that meet the criteria set forth in this Act as a
18 Social Equity Applicant may procure or process industrial hemp
19 in the form of industrial hemp products, hemp extract, or hemp
20 concentrate, as those terms are defined under the Hemp
21 Cannabinoid Products Act. Licensed infusers may procure
22 industrial hemp in the form of industrial hemp, hemp extract,
23 or hemp concentrate, as those terms are used under the Hemp
24 Cannabinoid Products Act. All processed hemp derivatives must
25 be accompanied by a certificate of analysis showing potency
26 levels for THC, THCa, CBD, and CBDA, and any other

1 cannabinoids required by the Department by rule or guidance.
2 No hemp concentrate derived product, as that term is defined
3 under the Hemp Cannabinoid Products Act, shall contain more
4 than 10 milligrams per serving or 100 milligrams per packaging
5 of delta-8-tetrahydrocannabinol or
6 delta-9-tetrahydrocannabinol.

7 (i) A representative sample of all final products
8 containing industrial hemp or hemp derivatives must undergo
9 testing pursuant to the Compassionate Use of Medical Cannabis
10 Act, the Cannabis Regulation and Tax Act, and any applicable
11 administrative rules.

12 (j) Final products containing hemp or hemp derivatives are
13 subject to the requirements of the Compassionate Use of
14 Medical Cannabis Act, the Cannabis Regulation and Tax Act, and
15 any applicable administrative rules.

16 (410 ILCS 705/5-45)

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

18 (a) The position of Illinois Cannabis Regulation Oversight
19 Officer is created within the Department of Financial and
20 Professional Regulation under the Secretary of Financial and
21 Professional Regulation. The Cannabis Regulation Oversight
22 Officer serves a coordinating role among State agencies
23 regarding this Act and the Compassionate Use of Medical
24 Cannabis Program Act. The Illinois Cannabis Regulation
25 Oversight Officer shall be appointed by the Governor with the

1 advice and consent of the Senate. The term of office of the
2 Officer shall expire on the third Monday of January in
3 odd-numbered years provided that he or she shall hold office
4 until a successor is appointed and qualified. In case of
5 vacancy in office during the recess of the Senate, the
6 Governor shall make a temporary appointment until the next
7 meeting of the Senate, when the Governor shall nominate some
8 person to fill the office, and any person so nominated who is
9 confirmed by the Senate shall hold office during the remainder
10 of the term and until his or her successor is appointed and
11 qualified.

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

14 (1) maintain a staff;

15 (2) make recommendations for administrative and
16 statutory changes;

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

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

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

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

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

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

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

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

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

13 (e) The Illinois Cannabis Regulation Oversight Officer
14 shall commission and publish one or more disparity and
15 availability studies that: (1) evaluates whether there exists
16 discrimination in the State's cannabis industry; and (2) if
17 so, evaluates the impact of such discrimination on the State
18 and includes recommendations to the Department of Financial
19 and Professional Regulation and the Department of Agriculture
20 for reducing or eliminating any identified barriers to entry
21 in the cannabis market. Such disparity and availability
22 studies shall examine each license type issued pursuant to
23 Sections 15-25, 15-30.1, or 15-35.20, subsection (a) of
24 Section 30-5, ~~or~~ subsection (a) of Section 35-5, or Article 15
25 of the Hemp Cannabinoid Products Act, and shall be initiated
26 within 180 days from the issuance of the first of each license

1 authorized by those Sections. The results of each disparity
2 and availability study shall be reported to the General
3 Assembly and the Governor no later than 12 months after the
4 commission of each study.

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

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

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

1 Sec. 10-10. Possession limit.

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

5 (1) 30 grams of cannabis flower;

6 (2) no more than 500 milligrams of THC contained in
7 cannabis-infused product, 500 milligrams of THC contained
8 in a hemp concentrate derived products, or 500 milligrams
9 of THC contained in both cannabis-infused products and
10 hemp concentrate derived products;

11 (3) 5 grams of cannabis concentrate; and

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

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

20 (1) 15 grams of cannabis flower;

21 (2) 2.5 grams of cannabis concentrate, 250 milligrams
22 of THC contained in a hemp concentrate derived products,
23 or 250 milligrams of THC contained in both
24 cannabis-infused products and hemp concentrate derived
25 products; and

26 (3) 250 milligrams of THC contained in a

1 cannabis-infused product.

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

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

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

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

13 (410 ILCS 705/15-35.5 new)

14 Sec. 15-35.5. Intoxicating Hemp-Derived THC Consumer
15 Products Safety Committee.

16 (a) The General Assembly finds that an Intoxicating
17 Hemp-Derived THC Consumer Products Safety Committee is
18 necessary to evaluate the public health impacts, product
19 formulations, manufacturing standards, and consumer safety
20 standards for intoxicating THC products derived or produced
21 from the industrial hemp, and make recommendations to the
22 General Assembly, the Governor, the Attorney General, and
23 State regulatory agencies on a regulatory framework for the
24 manufacture, distribution, and sale of hemp-derived THC
25 consumer products within Illinois.

1 (b) The Committee shall consist of the following members:

2 (1) a member of the Senate, designated by the
3 President of the Senate;

4 (2) a member of the House of Representatives,
5 designated by the Speaker of the House of Representatives;

6 (3) a member of the Senate, designated by the Minority
7 Leader of the Senate;

8 (4) a member of the House of Representative,
9 designated by the Minority Leader of the House of
10 Representatives;

11 (5) the Illinois Cannabis Regulation and Oversight
12 Officer, or a designee;

13 (6) the Director of Agriculture, or a designee;

14 (7) the Secretary of Financial and Professional
15 Regulation, or a designee;

16 (8) the Director of Public Health, or a designee;

17 (9) the Director of Revenue, or a designee;

18 (10) the Attorney General, or a designee;

19 (11) the Director of the Illinois State Police, or a
20 designee;

21 (12) one member who is an attorney with expertise in
22 the regulation of cannabis, appointed by the Director of
23 Agriculture;

24 (13) one member who is an individual with expertise in
25 the processing of cannabis, appointed by the Director of
26 Agriculture;

1 (14) one member who is an individual with expertise in
2 consumer safety over hemp and cannabis product
3 formulations, appointed by the Director of Public Health;

4 (15) one member who is a physician with expertise in
5 the consumer safety impacts of hemp and cannabis product
6 consumption and its effects on the mind and body,
7 appointed by the Director of Public Health;

8 (16) one member who is a laboratory technician or
9 scientist with expertise in the testing and evaluation of
10 cannabis product safety, appointed by the Director of
11 Agriculture;

12 (17) one member who is an individual with expertise in
13 consumer product approvals and requirements under the
14 Food, Drug, and Cosmetic Act (21 U.S.C. 9), appointed by
15 the Director of Public Health;

16 (18) one member who is a school superintendent or
17 principal, appointed by the State Superintendent of
18 Education; and

19 (19) one member who is a college or university
20 representative with expertise in research and development
21 of consumer safety standards and products, appointed by
22 the State Superintendent of Education.

23 (c) The Committee shall produce a report on or before
24 January 1, 2025 with recommendations on appropriate consumer
25 safety standards, including product formulations,
26 manufacturing standards, advertising standards, and a

1 comprehensive regulatory framework for the safe manufacture,
2 distribution, and sale of hemp-derived THC products within
3 this State.

4 (d) The Department of Agriculture, the Department of
5 Financial and Professional Regulation, the Cannabis Oversight
6 Officer, the Department of Public Health, the Illinois State
7 Police, and the Attorney General shall issue a report with any
8 legislative recommendations, if deemed necessary, to the
9 General Assembly on or before March 1, 2025 to establish a
10 regulatory and enforcement framework for hemp-derived THC
11 products to be manufactured, distributed, and sold to
12 consumers within this State.

13 (410 ILCS 705/15-155)

14 Sec. 15-155. Unlicensed practice; violation; civil
15 penalty.

16 (a) In addition to any other penalty provided by law, any
17 person who practices, offers to practice, attempts to
18 practice, or holds oneself out to practice as a licensed
19 dispensing organization owner, principal officer,
20 agent-in-charge, or agent, cultivates, processes, distributes,
21 sells, or offers for sale cannabis, cannabis-infused products,
22 cannabis concentrates, or cannabis flower without being
23 licensed under this Act shall, in addition to any other
24 penalty provided by law, pay a civil penalty to the Department
25 of Financial and Professional Regulation in an amount not to

1 exceed \$10,000 for each offense as determined by the
2 Department. Each day a person engages in unlicensed practice
3 in violation of the provisions of this Section constitutes a
4 separate offense. The civil penalty shall be assessed by the
5 Department after a hearing is held in accordance with the
6 provisions set forth in this Act regarding the provision of a
7 hearing for the discipline of a licensee.

8 (b) The Department, the Attorney General, any State or
9 local law enforcement agency, or any State's Attorney may ~~has~~
10 ~~the authority and power to~~ investigate any and all unlicensed
11 activity.

12 (b-5) If a person is convicted of unlicensed activity
13 under this Act, the Hemp Cannabinoid Products Act, or the
14 Compassionate Use of Medical Cannabis Act, the clerk of the
15 court in which the conviction is had shall, within 5 days after
16 the conviction, forward to the Secretary of Financial and
17 Professional Regulation a report of the conviction, and the
18 court may recommend the suspension of any licenses awarded to
19 the convicted person under this Act, the Hemp Cannabinoid
20 Products Act, or the Compassionate Use of Medical Cannabis
21 Act.

22 (b-10) If a person is convicted for a third or subsequent
23 violation in a 3-year period of unlicensed activity under this
24 Act, the Hemp Cannabinoid Products Act, or the Compassionate
25 Use of Medical Cannabis Act, the judge of the court in which
26 the conviction is had shall require the immediate surrender to

1 the clerk of the court of all licenses or conditional licenses
2 awarded to the convicted person under this Act, the Hemp
3 Cannabinoid Products Act, or the Compassionate Use of Medical
4 Cannabis Act, and the clerk of the court shall, within 5 days
5 after the conviction, forward the surrendered licenses,
6 together with a report of the conviction, to the Secretary of
7 Financial and Professional Regulation.

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) A violation of subsection (a) is an unlawful practice
15 under Section 2Z of the Consumer Fraud and Deceptive Business
16 Practices Act. All remedies, penalties, and authority granted
17 to the Attorney General under that Act shall be available for
18 the enforcement of this Act.

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

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

24 (410 ILCS 705/20-60 new)

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

1 (a) In addition to any other penalty provided by law, a
2 person who practices, offers to practice, attempts to
3 practice, or holds oneself out to practice as a licensed
4 cultivation center, infuser, craft grower organization, hemp
5 concentrate infuser, hemp extract enforcer, or hemp processor
6 or a principal officer, agent-in-charge, or agent or who
7 cultivates, processes, distributes, sells, or offers for sale
8 cannabis, cannabis-infused products, cannabis concentrates,
9 cannabis flower, intermediate hemp products, hemp concentrate,
10 hemp extract, hemp extract derived products, or hemp
11 concentrate derived products without being licensed under this
12 Act, the Hemp Cannabinoid Products Act, or the Compassionate
13 Use of Medical Cannabis Act shall, in addition to any other
14 penalty provided by law, pay a civil penalty to the Department
15 of Agriculture in an amount not to exceed \$10,000 for each
16 offense. Each day any person engages in unlicensed practice in
17 violation of the provisions of this Section constitutes a
18 separate offense. The civil penalty shall be assessed by the
19 Department after a hearing is held under the provisions set
20 forth in this Act regarding hearings for the discipline of a
21 licensee.

22 (b) The Department, the Attorney General, a State or local
23 law enforcement agency, or a State's Attorney may investigate
24 any and all unlicensed activity.

25 (b-5) If a person is convicted of unlicensed activity
26 under this Act, the Hemp Cannabinoid Products Act, or the

1 Compassionate Use of Medical Cannabis Act, the clerk of the
2 court in which the conviction is had shall, within 5 days after
3 the conviction, forward to the Director of Agriculture a
4 report of the conviction, and the court may recommend the
5 suspension of any licenses awarded to the convicted person
6 under this Act, the Hemp Cannabinoid Products Act, or the
7 Compassionate Use of Medical Cannabis Act,

8 (b-10) If a person is convicted, for a third subsequent
9 violation in a 3-year period, of unlicensed activity under
10 this Act, the Hemp Cannabinoid Products Act, or the
11 Compassionate Use of Medical Cannabis Act, the judge of the
12 court in which the conviction is had shall require the
13 surrender to the clerk of the court of all licenses or
14 conditional license awarded to the convicted person under this
15 Act, the Hemp Cannabinoid Products Act, or the Compassionate
16 Use of Medical Cannabis Act, and the clerk of the court shall,
17 within 5 days after the conviction, forward the surrendered
18 licenses, together with a report of the conviction, to the
19 Director of Agriculture.

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

26 (d) In addition to any other remedies or penalties

1 provided by law, upon a third or subsequent revocation or
2 suspension of a license, a unit of local government may
3 suspend or revoke any locally established licenses held by the
4 person and prohibit the person from further operations and
5 seize any cannabis or THC product.

6 (410 ILCS 705/55-35)

7 Sec. 55-35. Administrative rulemaking.

8 (a) No later than 180 days after the effective date of this
9 Act, the Department of Agriculture, the Illinois State Police,
10 the Department of Financial and Professional Regulation, the
11 Department of Revenue, the Department of Commerce and Economic
12 Opportunity, and the Treasurer's Office shall adopt permanent
13 rules in accordance with their responsibilities under this
14 Act. The Department of Agriculture, the Illinois State Police,
15 the Department of Financial and Professional Regulation, the
16 Department of Revenue, and the Department of Commerce and
17 Economic Opportunity may adopt rules necessary to regulate
18 personal cannabis use through the use of emergency rulemaking
19 in accordance with subsection (gg) of Section 5-45 of the
20 Illinois Administrative Procedure Act. The General Assembly
21 finds that the adoption of rules to regulate cannabis use is
22 deemed an emergency and necessary for the public interest,
23 safety, and welfare.

24 (b) The Department of Agriculture rules may address, but
25 are not limited to, the following matters related to

1 cultivation centers, craft growers, infuser organizations, and
2 transporting organizations with the goal of protecting against
3 diversion and theft, without imposing an undue burden on the
4 cultivation centers, craft growers, infuser organizations, or
5 transporting organizations:

6 (1) oversight requirements for cultivation centers,
7 craft growers, infuser organizations, and transporting
8 organizations;

9 (2) recordkeeping requirements for cultivation
10 centers, craft growers, infuser organizations, and
11 transporting organizations;

12 (3) security requirements for cultivation centers,
13 craft growers, infuser organizations, and transporting
14 organizations, which shall include that each cultivation
15 center, craft grower, infuser organization, and
16 transporting organization location must be protected by a
17 fully operational security alarm system;

18 (4) standards for enclosed, locked facilities under
19 this Act;

20 (5) procedures for suspending or revoking the
21 identification cards of agents of cultivation centers,
22 craft growers, infuser organizations, and transporting
23 organizations that commit violations of this Act or the
24 rules adopted under this Section;

25 (6) rules concerning the intrastate transportation of
26 cannabis from a cultivation center, craft grower, infuser

1 organization, and transporting organization to a
2 dispensing organization;

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

5 (7.5) standards and rules for the investigation and
6 enforcement of unregulated and unlicensed sale of
7 cannabis, cannabis products, and hemp cannabinoid
8 products; and

9 (8) any other matters under oversight by the
10 Department of Agriculture as are necessary for the fair,
11 impartial, stringent, and comprehensive administration of
12 this Act.

13 (b-5) Notwithstanding any standards and rules developed
14 under paragraph (7.5) of subsection (b), the Department of
15 Agriculture shall update through official guidance and publish
16 publicly on its website the cannabinoids that it deems
17 tetrahydrocannabinol or THC on or before each January 1 and
18 July 1.

19 (c) The Department of Financial and Professional
20 Regulation rules may address, but are not limited to, the
21 following matters related to dispensing organizations, with
22 the goal of protecting against diversion and theft, without
23 imposing an undue burden on the dispensing organizations:

24 (1) oversight requirements for dispensing
25 organizations;

26 (2) recordkeeping requirements for dispensing

1 organizations;

2 (3) security requirements for dispensing
3 organizations, which shall include that each dispensing
4 organization location must be protected by a fully
5 operational security alarm system;

6 (4) procedures for suspending or revoking the licenses
7 of dispensing organization agents that commit violations
8 of this Act or the rules adopted under this Act;

9 (4.5) standards and rules for the investigation and
10 enforcement of unregulated and unlicensed sale of
11 cannabis, cannabis products, and hemp cannabinoid
12 products; and

13 (5) any other matters under oversight by the
14 Department of Financial and Professional Regulation that
15 are necessary for the fair, impartial, stringent, and
16 comprehensive administration of this Act.

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

20 (1) recording of sales;

21 (2) documentation of taxable income and expenses;

22 (3) transfer of funds for the payment of taxes; or

23 (4) any other matter under the oversight of the
24 Department of Revenue.

25 (e) The Department of Commerce and Economic Opportunity
26 rules may address, but are not limited to, a loan program or

1 grant program to assist Social Equity Applicants access the
2 capital needed to start a cannabis business establishment. The
3 names of recipients and the amounts of any moneys received
4 through a loan program or grant program shall be a public
5 record.

6 (f) The Illinois State Police rules may address
7 enforcement of its authority under this Act. The Illinois
8 State Police shall not make rules that infringe on the
9 exclusive authority of the Department of Financial and
10 Professional Regulation or the Department of Agriculture over
11 licensees under this Act.

12 (g) The Department of Human Services shall develop and
13 disseminate:

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

16 (2) one or more public education campaigns in
17 coordination with local health departments and community
18 organizations, including one or more prevention campaigns
19 directed at children, adolescents, parents, and pregnant
20 or breastfeeding women, to inform them of the potential
21 health risks associated with intentional or unintentional
22 cannabis use.

23 (Source: P.A. 101-27, eff. 6-25-19; 101-593, eff. 12-4-19;
24 102-538, eff. 8-20-21.)

25 Section 800-50. The Illinois Vehicle Code is amended by

1 changing Sections 2-118.2 and 11-501.2 and by adding Section
2 11-502.20 as follows:

3 (625 ILCS 5/2-118.2)

4 Sec. 2-118.2. Opportunity for hearing; cannabis-related
5 and hemp concentrate derived products-related suspension under
6 Section 11-501.9.

7 (a) A suspension of driving privileges under Section
8 11-501.9 of this Code shall not become effective until the
9 person is notified in writing of the impending suspension and
10 informed that he or she may request a hearing in the circuit
11 court of venue under subsection (b) of this Section and the
12 suspension shall become effective as provided in Section
13 11-501.9.

14 (b) Within 90 days after the notice of suspension served
15 under Section 11-501.9, the person may make a written request
16 for a judicial hearing in the circuit court of venue. The
17 request to the circuit court shall state the grounds upon
18 which the person seeks to have the suspension rescinded.
19 Within 30 days after receipt of the written request or the
20 first appearance date on the Uniform Traffic Ticket issued for
21 a violation of Section 11-501 of this Code, or a similar
22 provision of a local ordinance, the hearing shall be conducted
23 by the circuit court having jurisdiction. This judicial
24 hearing, request, or process shall not stay or delay the
25 suspension. The hearing shall proceed in the court in the same

1 manner as in other civil proceedings.

2 The hearing may be conducted upon a review of the law
3 enforcement officer's own official reports; provided however,
4 that the person may subpoena the officer. Failure of the
5 officer to answer the subpoena shall be considered grounds for
6 a continuance if in the court's discretion the continuance is
7 appropriate.

8 The scope of the hearing shall be limited to the issues of:

9 (1) Whether the officer had reasonable suspicion to
10 believe that the person was driving or in actual physical
11 control of a motor vehicle upon a highway while impaired
12 by the use of cannabis or hemp concentrate derived
13 products; and

14 (2) Whether the person, after being advised by the
15 officer that the privilege to operate a motor vehicle
16 would be suspended if the person refused to submit to and
17 complete field sobriety tests or validated roadside
18 chemical tests, did refuse to submit to or complete field
19 sobriety tests or validated roadside chemical tests
20 authorized under Section 11-501.9; and

21 (3) Whether the person after being advised by the
22 officer that the privilege to operate a motor vehicle
23 would be suspended if the person submitted to field
24 sobriety tests or validated roadside chemical tests that
25 disclosed the person was impaired by the use of cannabis
26 or hemp concentrate derived products, did submit to field

1 sobriety tests or validated roadside chemical tests that
2 disclosed that the person was impaired by the use of
3 cannabis or hemp concentrate derived products.

4 Upon the conclusion of the judicial hearing, the circuit
5 court shall sustain or rescind the suspension and immediately
6 notify the Secretary of State. Reports received by the
7 Secretary of State under this Section shall be privileged
8 information and for use only by the courts, police officers,
9 and Secretary of State.

10 (Source: P.A. 101-27, eff. 6-25-19; 101-363, eff. 8-9-19;
11 101-593, eff. 12-4-19.)

12 (625 ILCS 5/11-501.2) (from Ch. 95 1/2, par. 11-501.2)

13 Sec. 11-501.2. Chemical and other tests.

14 (a) Upon the trial of any civil or criminal action or
15 proceeding arising out of an arrest for an offense as defined
16 in Section 11-501 or a similar local ordinance or proceedings
17 pursuant to Section 2-118.1, evidence of the concentration of
18 alcohol, other drug or drugs, or intoxicating compound or
19 compounds, or any combination thereof in a person's blood or
20 breath at the time alleged, as determined by analysis of the
21 person's blood, urine, breath, or other bodily substance,
22 shall be admissible. Where such test is made the following
23 provisions shall apply:

24 1. Chemical analyses of the person's blood, urine,
25 breath, or other bodily substance to be considered valid

1 under the provisions of this Section shall have been
2 performed according to standards promulgated by the
3 Illinois State Police by a licensed physician, registered
4 nurse, trained phlebotomist, licensed paramedic, or other
5 individual possessing a valid permit issued by that
6 Department for this purpose. The Director of the Illinois
7 State Police is authorized to approve satisfactory
8 techniques or methods, to ascertain the qualifications and
9 competence of individuals to conduct such analyses, to
10 issue permits which shall be subject to termination or
11 revocation at the discretion of that Department and to
12 certify the accuracy of breath testing equipment. The
13 Illinois State Police shall prescribe regulations as
14 necessary to implement this Section.

15 2. When a person in this State shall submit to a blood
16 test at the request of a law enforcement officer under the
17 provisions of Section 11-501.1, only a physician
18 authorized to practice medicine, a licensed physician
19 assistant, a licensed advanced practice registered nurse,
20 a registered nurse, trained phlebotomist, or licensed
21 paramedic, or other qualified person approved by the
22 Illinois State Police may withdraw blood for the purpose
23 of determining the alcohol, drug, or alcohol and drug
24 content therein. This limitation shall not apply to the
25 taking of breath, other bodily substance, or urine
26 specimens.

1 When a blood test of a person who has been taken to an
2 adjoining state for medical treatment is requested by an
3 Illinois law enforcement officer, the blood may be
4 withdrawn only by a physician authorized to practice
5 medicine in the adjoining state, a licensed physician
6 assistant, a licensed advanced practice registered nurse,
7 a registered nurse, a trained phlebotomist acting under
8 the direction of the physician, or licensed paramedic. The
9 law enforcement officer requesting the test shall take
10 custody of the blood sample, and the blood sample shall be
11 analyzed by a laboratory certified by the Illinois State
12 Police for that purpose.

13 3. The person tested may have a physician, or a
14 qualified technician, chemist, registered nurse, or other
15 qualified person of their own choosing administer a
16 chemical test or tests in addition to any administered at
17 the direction of a law enforcement officer. The failure or
18 inability to obtain an additional test by a person shall
19 not preclude the admission of evidence relating to the
20 test or tests taken at the direction of a law enforcement
21 officer.

22 4. Upon the request of the person who shall submit to a
23 chemical test or tests at the request of a law enforcement
24 officer, full information concerning the test or tests
25 shall be made available to the person or such person's
26 attorney.

1 5. Alcohol concentration shall mean either grams of
2 alcohol per 100 milliliters of blood or grams of alcohol
3 per 210 liters of breath.

4 6. Tetrahydrocannabinol concentration means either 5
5 nanograms or more of delta-9-tetrahydrocannabinol or
6 delta-8-tetrahydrocannabinol per milliliter of whole blood
7 or 10 nanograms or more of delta-9-tetrahydrocannabinol or
8 delta-8-tetrahydrocannabinol per milliliter of other
9 bodily substance.

10 (a-5) Law enforcement officials may use validated roadside
11 chemical tests or standardized field sobriety tests approved
12 by the National Highway Traffic Safety Administration when
13 conducting investigations of a violation of Section 11-501 or
14 similar local ordinance by drivers suspected of driving under
15 the influence of cannabis or hemp concentrate derived
16 products. The General Assembly finds that (i) validated
17 roadside chemical tests are effective means to determine if a
18 person is under the influence of cannabis or hemp concentrate
19 derived products and (ii) standardized field sobriety tests
20 approved by the National Highway Traffic Safety Administration
21 are divided attention tasks that are intended to determine if
22 a person is under the influence of cannabis or hemp
23 concentrate derived products. The purpose of these tests is to
24 determine the effect of the use of cannabis or hemp
25 concentrate derived products on a person's capacity to think
26 and act with ordinary care and therefore operate a motor

1 vehicle safely. Therefore, the results of these validated
2 roadside chemical tests and standardized field sobriety tests,
3 appropriately administered, shall be admissible in the trial
4 of any civil or criminal action or proceeding arising out of an
5 arrest for a cannabis-related or hemp concentrate derived
6 products-related offense as defined in Section 11-501 or a
7 similar local ordinance or proceedings under Section 2-118.1
8 or 2-118.2. Where a test is made the following provisions
9 shall apply:

10 1. The person tested may have a physician, or a
11 qualified technician, chemist, registered nurse, or other
12 qualified person of their own choosing administer a
13 chemical test or tests in addition to the standardized
14 field sobriety test or tests administered at the direction
15 of a law enforcement officer. The failure or inability to
16 obtain an additional test by a person does not preclude
17 the admission of evidence relating to the test or tests
18 taken at the direction of a law enforcement officer.

19 2. Upon the request of the person who shall submit to
20 validated roadside chemical tests or a standardized field
21 sobriety test or tests at the request of a law enforcement
22 officer, full information concerning the test or tests
23 shall be made available to the person or the person's
24 attorney.

25 3. At the trial of any civil or criminal action or
26 proceeding arising out of an arrest for an offense as

1 defined in Section 11-501 or a similar local ordinance or
2 proceedings under Section 2-118.1 or 2-118.2 in which the
3 results of these validated roadside chemical tests or
4 standardized field sobriety tests are admitted, the person
5 may present and the trier of fact may consider evidence
6 that the person lacked the physical capacity to perform
7 the validated roadside chemical tests or standardized
8 field sobriety tests.

9 (b) Upon the trial of any civil or criminal action or
10 proceeding arising out of acts alleged to have been committed
11 by any person while driving or in actual physical control of a
12 vehicle while under the influence of alcohol, the
13 concentration of alcohol in the person's blood or breath at
14 the time alleged as shown by analysis of the person's blood,
15 urine, breath, or other bodily substance shall give rise to
16 the following presumptions:

17 1. If there was at that time an alcohol concentration
18 of 0.05 or less, it shall be presumed that the person was
19 not under the influence of alcohol.

20 2. If there was at that time an alcohol concentration
21 in excess of 0.05 but less than 0.08, such facts shall not
22 give rise to any presumption that the person was or was not
23 under the influence of alcohol, but such fact may be
24 considered with other competent evidence in determining
25 whether the person was under the influence of alcohol.

26 3. If there was at that time an alcohol concentration

1 of 0.08 or more, it shall be presumed that the person was
2 under the influence of alcohol.

3 4. The foregoing provisions of this Section shall not
4 be construed as limiting the introduction of any other
5 relevant evidence bearing upon the question whether the
6 person was under the influence of alcohol.

7 (b-5) Upon the trial of any civil or criminal action or
8 proceeding arising out of acts alleged to have been committed
9 by any person while driving or in actual physical control of a
10 vehicle while under the influence of alcohol, other drug or
11 drugs, intoxicating compound or compounds or any combination
12 thereof, the concentration of cannabis or hemp concentrate
13 derived products in the person's whole blood or other bodily
14 substance at the time alleged as shown by analysis of the
15 person's blood or other bodily substance shall give rise to
16 the following presumptions:

17 1. If there was a tetrahydrocannabinol concentration
18 of 5 nanograms or more in whole blood or 10 nanograms or
19 more in another ~~an other~~ bodily substance as defined in
20 this Section, it shall be presumed that the person was
21 under the influence of cannabis or hemp concentrate
22 derived product.

23 2. If there was at that time a tetrahydrocannabinol
24 concentration of less than 5 nanograms in whole blood or
25 less than 10 nanograms in another ~~an other~~ bodily
26 substance, such facts shall not give rise to any

1 presumption that the person was or was not under the
2 influence of cannabis or hemp concentrate derived
3 products, but such fact may be considered with other
4 competent evidence in determining whether the person was
5 under the influence of cannabis or hemp concentrate
6 derived product.

7 (c) 1. If a person under arrest refuses to submit to a
8 chemical test under the provisions of Section 11-501.1,
9 evidence of refusal shall be admissible in any civil or
10 criminal action or proceeding arising out of acts alleged to
11 have been committed while the person under the influence of
12 alcohol, other drug or drugs, or intoxicating compound or
13 compounds, or any combination thereof was driving or in actual
14 physical control of a motor vehicle.

15 2. Notwithstanding any ability to refuse under this Code
16 to submit to these tests or any ability to revoke the implied
17 consent to these tests, if a law enforcement officer has
18 probable cause to believe that a motor vehicle driven by or in
19 actual physical control of a person under the influence of
20 alcohol, other drug or drugs, or intoxicating compound or
21 compounds, or any combination thereof has caused the death or
22 personal injury to another, the law enforcement officer shall
23 request, and that person shall submit, upon the request of a
24 law enforcement officer, to a chemical test or tests of his or
25 her blood, breath, other bodily substance, or urine for the
26 purpose of determining the alcohol content thereof or the

1 presence of any other drug or combination of both.

2 This provision does not affect the applicability of or
3 imposition of driver's license sanctions under Section
4 11-501.1 of this Code.

5 3. For purposes of this Section, a personal injury
6 includes any Type A injury as indicated on the traffic crash
7 report completed by a law enforcement officer that requires
8 immediate professional attention in either a doctor's office
9 or a medical facility. A Type A injury includes severe
10 bleeding wounds, distorted extremities, and injuries that
11 require the injured party to be carried from the scene.

12 (d) If a person refuses validated roadside chemical tests
13 or standardized field sobriety tests under Section 11-501.9 of
14 this Code, evidence of refusal shall be admissible in any
15 civil or criminal action or proceeding arising out of acts
16 committed while the person was driving or in actual physical
17 control of a vehicle and alleged to have been impaired by the
18 use of cannabis or hemp concentrate derived products.

19 (e) Illinois State Police compliance with the changes in
20 this amendatory Act of the 99th General Assembly concerning
21 testing of other bodily substances and tetrahydrocannabinol
22 concentration by Illinois State Police laboratories is subject
23 to appropriation and until the Illinois State Police adopt
24 standards and completion validation. Any laboratories that
25 test for the presence of cannabis or hemp concentrate derived
26 products or other drugs under this Article, the Snowmobile

1 Registration and Safety Act, or the Boat Registration and
2 Safety Act must comply with ISO/IEC 17025:2005.

3 (Source: P.A. 101-27, eff. 6-25-19; 102-538, eff. 8-20-21;
4 102-982, eff. 7-1-23.)

5 (625 ILCS 5/11-502.20 new)

6 Sec. 11-502.20. Possession of hemp concentrate derived
7 products in a motor vehicle.

8 (a) No driver may use hemp concentrate derived products
9 within the passenger area of any motor vehicle upon a highway
10 in this State.

11 (b) No driver may possess hemp concentrate derived
12 products within any area of any motor vehicle upon a highway in
13 this State except in a secured, sealed or resealable,
14 child-resistant hemp concentrate derived products container
15 that is inaccessible.

16 (c) No passenger may possess hemp concentrate derived
17 products within any passenger area of any motor vehicle upon a
18 highway in this State except in a secured, sealed or
19 resealable, child-resistant hemp concentrate derived products
20 container that is inaccessible.

21 (d) Any person who knowingly violates subsection (a), (b),
22 or (c) of this Section commits a Class A misdemeanor.

23 Section 800-55. The Juvenile Court Act of 1987 is amended
24 by changing Section 5-401 as follows:

1 (705 ILCS 405/5-401)

2 Sec. 5-401. Arrest and taking into custody of a minor.

3 (1) A law enforcement officer may, without a warrant,

4 (a) arrest a minor whom the officer with probable
5 cause believes to be a delinquent minor; or

6 (b) take into custody a minor who has been adjudged a
7 ward of the court and has escaped from any commitment
8 ordered by the court under this Act; or

9 (c) take into custody a minor whom the officer
10 reasonably believes has violated the conditions of
11 probation or supervision ordered by the court.

12 (2) Whenever a petition has been filed under Section 5-520
13 and the court finds that the conduct and behavior of the minor
14 may endanger the health, person, welfare, or property of the
15 minor or others or that the circumstances of the minor's home
16 environment may endanger the minor's health, person, welfare
17 or property, a warrant may be issued immediately to take the
18 minor into custody.

19 (3) Except for minors accused of violation of an order of
20 the court, any minor accused of any act under federal or State
21 law, or a municipal or county ordinance that would not be
22 illegal if committed by an adult, cannot be placed in a jail,
23 municipal lockup, detention center, or secure correctional
24 facility. Juveniles accused with underage consumption and
25 underage possession of alcohol, ~~or~~ cannabis, or hemp

1 concentrate derived products cannot be placed in a jail,
2 municipal lockup, detention center, or correctional facility.

3 (Source: P.A. 103-22, eff. 8-8-23.)

4 Section 800-60. The Cannabis Control Act is amended by
5 changing Sections 3, 4, 5, and 5.1 as follows:

6 (720 ILCS 550/3) (from Ch. 56 1/2, par. 703)

7 Sec. 3. As used in this Act, unless the context otherwise
8 requires:

9 (a) "Cannabis" includes marihuana, hashish and other
10 substances which are identified as including any parts of the
11 plant Cannabis Sativa, whether growing or not; the seeds
12 thereof, the resin extracted from any part of such plant; and
13 any compound, manufacture, salt, derivative, mixture, or
14 preparation of such plant, its seeds, or resin, including
15 tetrahydrocannabinol (THC) and all other cannabinal
16 derivatives, including its naturally occurring or
17 synthetically produced ingredients, whether produced directly
18 or indirectly by extraction, or independently by means of
19 chemical synthesis or by a combination of extraction and
20 chemical synthesis; but shall not include the mature stalks of
21 such plant, fiber produced from such stalks, oil or cake made
22 from the seeds of such plant, any other compound, manufacture,
23 salt, derivative, mixture, or preparation of such mature
24 stalks (except the resin extracted therefrom), fiber, oil or

1 cake, or the sterilized seed of such plant which is incapable
2 of germination.

3 (b) "Casual delivery" means the delivery of not more than
4 10 grams of any substance containing cannabis without
5 consideration.

6 (c) "Department" means the Illinois Department of Human
7 Services (as successor to the Department of Alcoholism and
8 Substance Abuse) or its successor agency.

9 (d) "Deliver" or "delivery" means the actual, constructive
10 or attempted transfer of possession of cannabis, with or
11 without consideration, whether or not there is an agency
12 relationship.

13 (e) (Blank).

14 (e-5) "Hemp concentrate derived products" means a product
15 intended for human consumption that is derived from hemp
16 concentrate and meets the labeling and potency requirements
17 set forth in this Act of delta-8-tetrahydrocannabinol or
18 delta-9-tetrahydrocannabinol derived from any naturally
19 occurring cannabinoids found in hemp.

20 (f) "Director" means the Director of the Illinois State
21 Police or his designated agent.

22 (g) "Local authorities" means a duly organized State,
23 county, or municipal peace unit or police force.

24 (h) "Manufacture" means the production, preparation,
25 propagation, compounding, conversion or processing of
26 cannabis, either directly or indirectly, by extraction from

1 substances of natural origin, or independently by means of
2 chemical synthesis, or by a combination of extraction and
3 chemical synthesis, and includes any packaging or repackaging
4 of cannabis or labeling of its container, except that this
5 term does not include the preparation, compounding, packaging,
6 or labeling of cannabis as an incident to lawful research,
7 teaching, or chemical analysis and not for sale.

8 (i) "Person" means any individual, corporation, government
9 or governmental subdivision or agency, business trust, estate,
10 trust, partnership or association, or any other entity.

11 (j) "Produce" or "production" means planting, cultivating,
12 tending or harvesting.

13 (k) "State" includes the State of Illinois and any state,
14 district, commonwealth, territory, insular possession thereof,
15 and any area subject to the legal authority of the United
16 States of America.

17 (l) "Subsequent offense" means an offense under this Act,
18 the offender of which, prior to his conviction of the offense,
19 has at any time been convicted under this Act or under any laws
20 of the United States or of any state relating to cannabis, or
21 any controlled substance as defined in the Illinois Controlled
22 Substances Act.

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

24 (720 ILCS 550/4) (from Ch. 56 1/2, par. 704)

25 Sec. 4. Except as otherwise provided in the Cannabis

1 Regulation and Tax Act, ~~and~~ the Industrial Hemp Act, and the
2 Hemp Cannabinoid Products Act, it is unlawful for any person
3 knowingly to possess cannabis, hemp concentrate, intermediate
4 hemp products, or hemp concentrate derived products.

5 Any person who violates this Section with respect to:

6 (a) not more than 10 grams of any substance containing
7 cannabis, hemp concentrate, intermediate hemp products, or
8 hemp concentrate derived products or any combination
9 therein is guilty of a civil law violation punishable by a
10 minimum fine of \$100 and a maximum fine of \$200. The
11 proceeds of the fine shall be payable to the clerk of the
12 circuit court. Within 30 days after the deposit of the
13 fine, the clerk shall distribute the proceeds of the fine
14 as follows:

15 (1) \$10 of the fine to the circuit clerk and \$10 of
16 the fine to the law enforcement agency that issued the
17 citation; the proceeds of each \$10 fine distributed to
18 the circuit clerk and each \$10 fine distributed to the
19 law enforcement agency that issued the citation for
20 the violation shall be used to defer the cost of
21 automatic expungements under paragraph (2.5) of
22 subsection (a) of Section 5.2 of the Criminal
23 Identification Act;

24 (2) \$15 to the county to fund drug addiction
25 services;

26 (3) \$10 to the Office of the State's Attorneys

1 Appellate Prosecutor for use in training programs;

2 (4) \$10 to the State's Attorney; and

3 (5) any remainder of the fine to the law
4 enforcement agency that issued the citation for the
5 violation.

6 With respect to funds designated for the Illinois
7 State Police, the moneys shall be remitted by the circuit
8 court clerk to the Illinois State Police within one month
9 after receipt for deposit into the State Police Operations
10 Assistance Fund. With respect to funds designated for the
11 Department of Natural Resources, the Department of Natural
12 Resources shall deposit the moneys into the Conservation
13 Police Operations Assistance Fund;

14 (b) more than 10 grams but not more than 30 grams of
15 any substance containing cannabis, hemp concentrate,
16 intermediate hemp products, or hemp concentrate derived
17 products or any combination therein is guilty of a Class B
18 misdemeanor;

19 (c) more than 30 grams but not more than 100 grams of
20 any substance containing cannabis, hemp concentrate,
21 intermediate hemp products, or hemp concentrate derived
22 products or any combination therein is guilty of a Class A
23 misdemeanor; provided, that if any offense under this
24 subsection (c) is a subsequent offense, the offender shall
25 be guilty of a Class 4 felony;

26 (d) more than 100 grams but not more than 500 grams of

1 any substance containing cannabis, hemp concentrate,
2 intermediate hemp products, or hemp concentrate derived
3 products or any combination therein is guilty of a Class 4
4 felony; provided that if any offense under this subsection
5 (d) is a subsequent offense, the offender shall be guilty
6 of a Class 3 felony;

7 (e) more than 500 grams but not more than 2,000 grams
8 of any substance containing cannabis, hemp concentrate,
9 intermediate hemp products, or hemp concentrate derived
10 products or any combination therein is guilty of a Class 3
11 felony;

12 (f) more than 2,000 grams but not more than 5,000
13 grams of any substance containing cannabis, hemp
14 concentrate, intermediate hemp products, or hemp
15 concentrate derived products or any combination therein is
16 guilty of a Class 2 felony;

17 (g) more than 5,000 grams of any substance containing
18 cannabis, hemp concentrate, intermediate hemp products, or
19 hemp concentrate derived products or any combination
20 therein 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, ~~and~~ the Industrial Hemp Act, and the
6 Hemp Cannabinoid Products Act, it is unlawful for any person
7 knowingly to manufacture, deliver, or possess with intent to
8 deliver, or manufacture, cannabis, hemp concentrate,
9 intermediate hemp products, or hemp concentrate derived
10 products. Any person who violates this Section with respect
11 to:

12 (a) not more than 2.5 grams of any substance
13 containing cannabis, hemp concentrate, intermediate hemp
14 products, or hemp concentrate derived products or any
15 combination therein is guilty of a Class B misdemeanor;

16 (b) more than 2.5 grams but not more than 10 grams of
17 any substance containing cannabis, hemp concentrate,
18 intermediate hemp products, or hemp concentrate derived
19 products or any combination therein is guilty of a Class A
20 misdemeanor;

21 (c) more than 10 grams but not more than 30 grams of
22 any substance containing cannabis, hemp concentrate,
23 intermediate hemp products, or hemp concentrate derived
24 products or any combination therein is guilty of a Class 4
25 felony;

1 (d) more than 30 grams but not more than 500 grams of
2 any substance containing cannabis, hemp concentrate,
3 intermediate hemp products, or hemp concentrate derived
4 products or any combination therein is guilty of a Class 3
5 felony for which a fine not to exceed \$50,000 may be
6 imposed;

7 (e) more than 500 grams but not more than 2,000 grams
8 of any substance containing cannabis, hemp concentrate,
9 intermediate hemp products, or hemp concentrate derived
10 products or any combination therein is guilty of a Class 2
11 felony for which a fine not to exceed \$100,000 may be
12 imposed;

13 (f) more than 2,000 grams but not more than 5,000
14 grams of any substance containing cannabis, hemp
15 concentrate, intermediate hemp products, or hemp
16 concentrate derived products or any combination therein is
17 guilty of a Class 1 felony for which a fine not to exceed
18 \$150,000 may be imposed;

19 (g) more than 5,000 grams of any substance containing
20 cannabis, hemp concentrate, intermediate hemp products, or
21 hemp concentrate derived products or any combination
22 therein is guilty of a Class X felony for which a fine not
23 to exceed \$200,000 may be imposed.

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

25 (720 ILCS 550/5.1) (from Ch. 56 1/2, par. 705.1)

1 Sec. 5.1. Cannabis or hemp cannabinoid trafficking.

2 (a) Except for purposes authorized by this Act, the
3 Industrial Hemp Act, ~~or~~ the Cannabis Regulation and Tax Act,
4 or the Hemp Cannabinoid Products Act, any person who knowingly
5 brings or causes to be brought into this State for the purpose
6 of manufacture or delivery or with the intent to manufacture
7 or deliver 2,500 grams or more of cannabis, hemp concentrate,
8 intermediate hemp products, or hemp concentrate derived
9 products or any combination therein in this State or any other
10 state or country is guilty of cannabis or hemp cannabinoid
11 trafficking.

12 (b) A person convicted of cannabis, hemp concentrate,
13 intermediate hemp products, or hemp concentrate derived
14 products trafficking shall be sentenced to a term of
15 imprisonment not less than twice the minimum term and fined an
16 amount as authorized by subsection (f) or (g) of Section 5 of
17 this Act, based upon the amount of cannabis, hemp concentrate,
18 intermediate hemp products, or hemp concentrate derived
19 products or any combination therein brought or caused to be
20 brought into this State, and not more than twice the maximum
21 term of imprisonment and fined twice the amount as authorized
22 by subsection (f) or (g) of Section 5 of this Act, based upon
23 the amount of cannabis, hemp concentrate, intermediate hemp
24 products, or hemp concentrate derived products or any
25 combination therein brought or caused to be brought into this
26 State.

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

2 Section 800-65. The Consumer Fraud and Deceptive Business
3 Practices Act is amended by changing Section 2Z as follows:

4 (815 ILCS 505/2Z) (from Ch. 121 1/2, par. 262Z)

5 Sec. 2Z. Violations of other Acts. Any person who
6 knowingly violates the Automotive Repair Act, the Automotive
7 Collision Repair Act, the Home Repair and Remodeling Act, the
8 Dance Studio Act, the Physical Fitness Services Act, the
9 Hearing Instrument Consumer Protection Act, the Illinois Union
10 Label Act, the Installment Sales Contract Act, the Job
11 Referral and Job Listing Services Consumer Protection Act, the
12 Travel Promotion Consumer Protection Act, the Credit Services
13 Organizations Act, the Automatic Telephone Dialers Act, the
14 Pay-Per-Call Services Consumer Protection Act, the Telephone
15 Solicitations Act, the Illinois Funeral or Burial Funds Act,
16 the Cemetery Oversight Act, the Cemetery Care Act, the Safe
17 and Hygienic Bed Act, the Illinois Pre-Need Cemetery Sales
18 Act, the High Risk Home Loan Act, the Payday Loan Reform Act,
19 the Predatory Loan Prevention Act, the Mortgage Rescue Fraud
20 Act, subsection (a) or (b) of Section 3-10 of the Cigarette Tax
21 Act, subsection (a) or (b) of Section 3-10 of the Cigarette Use
22 Tax Act, the Electronic Mail Act, the Internet Caller
23 Identification Act, paragraph (6) of subsection (k) of Section
24 6-305 of the Illinois Vehicle Code, Section 11-1431, 18d-115,

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

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

11 Section 800-70. The Right to Privacy in the Workplace Act
12 is amended by changing Section 5 as follows:

13 (820 ILCS 55/5) (from Ch. 48, par. 2855)

14 Sec. 5. Discrimination for use of lawful products
15 prohibited.

16 (a) Except as otherwise specifically provided by law,
17 including Section 10-50 of the Cannabis Regulation and Tax Act
18 the Hemp Cannabinoid Products Act, and except as provided in
19 subsections (b) and (c) of this Section, it shall be unlawful
20 for an employer to refuse to hire or to discharge any
21 individual, or otherwise disadvantage any individual, with
22 respect to compensation, terms, conditions or privileges of
23 employment because the individual uses lawful products off the
24 premises of the employer during nonworking and non-call hours.

1 As used in this Section, "lawful products" means products that
2 are legal under state law. For purposes of this Section, an
3 employee is deemed on-call when the employee is scheduled with
4 at least 24 hours' notice by his or her employer to be on
5 standby or otherwise responsible for performing tasks related
6 to his or her employment either at the employer's premises or
7 other previously designated location by his or her employer or
8 supervisor to perform a work-related task.

9 (b) This Section does not apply to any employer that is a
10 non-profit organization that, as one of its primary purposes
11 or objectives, discourages the use of one or more lawful
12 products by the general public. This Section does not apply to
13 the use of those lawful products which impairs an employee's
14 ability to perform the employee's assigned duties.

15 (c) It is not a violation of this Section for an employer
16 to offer, impose or have in effect a health, disability or life
17 insurance policy that makes distinctions between employees for
18 the type of coverage or the price of coverage based upon the
19 employees' use of lawful products provided that:

20 (1) differential premium rates charged employees
21 reflect a differential cost to the employer; and

22 (2) employers provide employees with a statement
23 delineating the differential rates used by insurance
24 carriers.

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

1 Article 999.

2 Effective Date

3 Section 999-99. Effective date. This Act takes effect upon
4 becoming law.".