



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB1723

Introduced 2/9/2023, by Sen. Kimberly A. Lightford

SYNOPSIS AS INTRODUCED:

410 ILCS 705/1-10
410 ILCS 705/30-5
410 ILCS 705/30-30
410 ILCS 705/35-31
410 ILCS 705/40-25
410 ILCS 705/60-10

Amends the Cannabis Regulation and Tax Act. Removes language providing that any person or entity awarded a craft grower license under specified provisions shall only hold one craft grower license. Requires the Department of Agriculture to issue an additional 30 craft grower licenses on or before May 1, 2023 and an additional 30 craft grower licenses on or before September 1, 2024 under specified conditions. Removes language providing that a craft grower shall not be located within 1,500 feet of another craft grower. Requires each adult use cultivation center or Early Approval Adult Use Cultivation Center License holder that produces THC oil extract to set aside a portion of its total monthly production of THC oil extract to sell to infuser organizations to provide infuser organizations with an adequate supply for their infusion processes. Provides that a transporting organization may transport cannabis or cannabis-infused products to a transporting organization depot or other transporting organization transfer facility. Provides that no cannabis business establishment nor any other person or entity shall engage in advertising that contains any statement or illustration that includes a description of or reference to a cannabis product as "craft", unless that product or the raw material used to create that product is produced by a craft grower. Provides that the tax imposed under the Cannabis Cultivation Privilege Tax Law shall not be assessed against or collected from any craft grower awarded a craft grower license under the Act until 2 years after the date that the license is awarded to the craft grower. Makes other changes.

LRB103 28854 CPF 55239 b

1 AN ACT concerning health.

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

4 Section 5. The Cannabis Regulation and Tax Act is amended
5 by changing Sections 1-10, 30-5, 30-30, 35-31, 40-25, 55-20,
6 and 60-10 as follows:

7 (410 ILCS 705/1-10)

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

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

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

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

1 cannabis business establishment.

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

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

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

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

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

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

15 "Cannabis concentrate" means a product derived from
16 cannabis that is produced by extracting cannabinoids,
17 including tetrahydrocannabinol (THC), from the plant through
18 the use of propylene glycol, glycerin, butter, olive oil, or
19 other typical cooking fats; water, ice, or dry ice; or butane,
20 propane, CO₂, ethanol, or isopropanol and with the intended
21 use of smoking or making a cannabis-infused product. The use
22 of any other solvent is expressly prohibited unless and until
23 it is approved by the Department of Agriculture.

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

1 transportation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 Economic Opportunity, that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10 "Individual" means a natural person.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8 (3) school records;

9 (4) a voter registration card;

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

13 (6) a paycheck stub;

14 (7) a utility bill;

15 (8) tax records; or

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

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

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

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

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

1 control by one or more individuals who:

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

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

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

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

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

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

20 "Social Equity Justice Involved Applicant" means an
21 applicant that is an Illinois resident and that:

22 (1) is at least 51% owned and controlled by one or more
23 individuals who have resided in a Disproportionately
24 Impacted Area for at least 5 of the 10 years immediately
25 preceding the date of application;

26 (2) is at least 51% owned and controlled by one or more

1 individuals who have been arrested for, convicted of, or
2 adjudicated delinquent for any offense that is eligible
3 for expungement under subsection (i) of Section 5.2 of the
4 Criminal Identification Act; or

5 (3) is at least 51% owned and controlled by one or more
6 members of an impacted family.

7 "Tied Applicant" means an application submitted by a
8 Dispensary Applicant pursuant to Section 15-30 that received
9 the same number of application points under Section 15-30 as
10 the Dispensary Applicant's final score as one or more
11 top-scoring applications in the same BLS Region and would have
12 been awarded a license but for the one or more other
13 top-scoring applications that received the same number of
14 application points. Each application for which a Dispensary
15 Applicant was required to pay a required application fee for
16 the application period ending January 2, 2020 shall be
17 considered an application of a separate Tied Applicant.

18 "Tied Applicant Lottery" means the process established
19 under 68 Ill. Adm. Code 1291.50 for awarding Conditional Adult
20 Use Dispensing Organization Licenses pursuant to Sections
21 15-25 and 15-30 among Eligible Tied Applicants.

22 "Tincture" means a cannabis-infused solution, typically
23 comprised of alcohol, glycerin, or vegetable oils, derived
24 either directly from the cannabis plant or from a processed
25 cannabis extract. A tincture is not an alcoholic liquor as
26 defined in the Liquor Control Act of 1934. A tincture shall

1 include a calibrated dropper or other similar device capable
2 of accurately measuring servings.

3 "Transporting organization" or "transporter" means an
4 organization or business that is licensed by the Department of
5 Agriculture to transport cannabis or cannabis-infused product
6 on behalf of a cannabis business establishment or a community
7 college licensed under the Community College Cannabis
8 Vocational Training Pilot Program.

9 "Transporting organization agent" means a principal
10 officer, board member, employee, or agent of a transporting
11 organization.

12 "Transporting organization agent identification card"
13 means a document issued by the Department of Agriculture that
14 identifies a person as a transporting organization agent.

15 "Unit of local government" means any county, city,
16 village, or incorporated town.

17 "Vegetative stage" means the stage of cultivation in which
18 a cannabis plant is propagated to produce additional cannabis
19 plants or reach a sufficient size for production. This
20 includes seedlings, clones, mothers, and other immature
21 cannabis plants as follows:

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

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

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

7 (410 ILCS 705/30-5)

8 Sec. 30-5. Issuance of licenses.

9 (a) The Department of Agriculture shall issue up to 40
10 craft grower licenses by July 1, 2020. Any person or entity
11 awarded a license pursuant to this subsection ~~shall only hold~~
12 ~~one craft grower license and~~ may not sell that license until
13 after December 21, 2021.

14 (a-5) The Department of Agriculture shall issue an
15 additional 30 craft grower licenses on or before May 1, 2023,
16 cost free, to applicants who submitted craft grower license
17 applications on or before April 30, 2020 but were not awarded a
18 license under subsection (a) and who received at least 85% of
19 the total points available on their applications. Any person
20 or entity awarded a license under this subsection may sell
21 that license at any time after it is awarded.

22 (a-10) The Department of Agriculture shall issue an
23 additional 30 craft grower licenses on or before September 1,
24 2023, at no charge, to applicants who submitted craft grower
25 license applications on or before April 30, 2020 but were not

1 awarded a license under subsection (a) or subsection (a-5),
2 received at least 85% of the total points available on their
3 applications, and qualify as Social Equity Justice Involved
4 Applicants. Any applicant awarded a license under this
5 subsection may sell that license at any time after it is
6 awarded.

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

- 25 (1) the percentage of cannabis sales occurring in
26 Illinois not in the regulated market using data from the

1 Substance Abuse and Mental Health Services Administration,
2 National Survey on Drug Use and Health, Illinois
3 Behavioral Risk Factor Surveillance System, and tourism
4 data from the Illinois Office of Tourism to ascertain
5 total cannabis consumption in Illinois compared to the
6 amount of sales in licensed dispensing organizations;

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

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

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

15 (5) population increases or shifts;

16 (6) the density of craft growers in any area of the
17 State;

18 (7) perceived security risks of increasing the number
19 or location of craft growers;

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

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

23 (10) (blank); and

24 (11) any other criteria the Department of Agriculture
25 deems relevant.

26 (c) After January 1, 2024 ~~2022~~, the Department of

1 Agriculture may by rule modify or raise the number of craft
2 grower licenses and modify or change the licensing application
3 process. At no time may the number of craft grower licenses
4 exceed 150. Any person or entity awarded a license pursuant to
5 this subsection shall not hold more than 3 craft grower
6 licenses. A person or entity awarded a license pursuant to
7 this subsection or subsection (a), (a-5), or (a-10) ~~or~~
8 ~~subsection (b)~~ of this Section may sell its craft grower
9 license or licenses subject to the restrictions of this Act or
10 as determined by administrative rule.

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

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

20 (410 ILCS 705/30-30)

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

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

1 staffing plan.

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (ii) If the craft grower is located in a county with a

1 population of more than 700,000 but fewer than 3,000,000,
2 the cannabis business establishment receiving the cannabis
3 is within 2 miles of the craft grower; or

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

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

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

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

1 organization's website.

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

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

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

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

12 (410 ILCS 705/35-31)

13 Sec. 35-31. Ensuring an adequate supply of raw materials
14 to serve infusers.

15 (a) As used in this Section, "raw materials" includes, but
16 is not limited to, CO₂ hash oil, "crude", "distillate", or any
17 other cannabis concentrate extracted from cannabis flower by
18 use of a solvent or a mechanical process.

19 (b) The Department of Agriculture may by rule design a
20 method for assessing whether licensed infusers have access to
21 an adequate supply of reasonably affordable raw materials,
22 which may include but not be limited to: (i) a survey of
23 infusers; (ii) a market study on the sales trends of
24 cannabis-infused products manufactured by infusers; and (iii)
25 the costs cultivation centers and craft growers assume for the

1 raw materials they use in any cannabis-infused products they
2 manufacture.

3 (b-5) Each adult use cultivation center or Early Approval
4 Adult Use Cultivation Center License holder licensed under
5 Article 20 that produces THC oil extract shall set aside a
6 portion of its total monthly production of THC oil extract to
7 sell to infuser organizations at market price, quality, and
8 variety to provide infuser organizations with an adequate
9 supply for their infusion processes. The portion set aside by
10 each cultivation center or Early Approval Adult Use
11 Cultivation Center License holder shall be on a proportionate,
12 pro rata basis and based upon its total monthly production
13 compared to the industry total monthly production in the
14 previous year as determined by the Department of Agriculture.
15 The total monthly portion of THC oil extract set aside by all
16 cultivation centers and Early Approval Adult Use Cultivation
17 Center License holders shall be as follows:

18 (1) During calendar year 2023, 50,000 grams per month.

19 (2) During calendar year 2024, 60,000 grams per month.

20 (3) During calendar year 2025, 70,000 grams per month.

21 (4) During calendar year 2026, 80,000 grams per month.

22 (5) During calendar year 2027, 90,000 grams per month.

23 The price of THC oil extract shall be the average fair
24 market price as determined quarterly by the Department of
25 Agriculture or an amount equal to 900% of the U.S. Cannabis
26 Spot Index's price for cannabis flower if, during any quarter,

1 the Department fails to establish a fair market price based
2 upon quality and variety. After January 1, 2024, the monthly
3 portion of THC oil extract may be adjusted by the Department of
4 Agriculture based upon market assessments as provided in
5 subsections (c) and (d).

6 (c) The Department of Agriculture shall perform an
7 assessment of whether infusers have access to an adequate
8 supply of reasonably affordable raw materials that shall start
9 no sooner than January 1, 2022 and shall conclude no later than
10 April 1, 2022. The Department of Agriculture may rely on data
11 from the Illinois Cannabis Regulation Oversight Officer as
12 part of this assessment.

13 (d) The Department of Agriculture shall perform an
14 assessment of whether infusers have access to an adequate
15 supply of reasonably affordable raw materials that shall start
16 no sooner than January 1, 2025 ~~2023~~ and shall conclude no later
17 than April 1, 2025 ~~2023~~. The Department of Agriculture may
18 rely on data from the Cannabis Regulation Oversight Officer as
19 part of this assessment.

20 (e) The Department of Agriculture may by rule adopt
21 measures to ensure infusers have access to an adequate supply
22 of reasonably affordable raw materials necessary for the
23 manufacture of cannabis-infused products. Such measures may
24 include, but not be limited to (i) requiring cultivation
25 centers and craft growers to set aside a minimum amount of raw
26 materials for the wholesale market or (ii) enabling infusers

1 to apply for a processor license to extract raw materials from
2 cannabis flower.

3 (f) If the Department of Agriculture determines processor
4 licenses may be available to infuser organizations based upon
5 findings made pursuant to subsection (e), infuser
6 organizations may submit to the Department of Agriculture on
7 forms provided by the Department of Agriculture the following
8 information as part of an application to receive a processor
9 license:

10 (1) experience with the extraction, processing, or
11 infusing of oils similar to those derived from cannabis,
12 or other business practices to be performed by the
13 infuser;

14 (2) a description of the applicant's experience with
15 manufacturing equipment and chemicals to be used in
16 processing;

17 (3) expertise in relevant scientific fields;

18 (4) a commitment that any cannabis waste, liquid
19 waste, or hazardous waste shall be disposed of in
20 accordance with 8 Ill. Adm. Code 1000.460, except, to the
21 greatest extent feasible, all cannabis plant waste will be
22 rendered unusable by grinding and incorporating the
23 cannabis plant waste with compostable mixed waste to be
24 disposed of in accordance with Ill. Adm. Code
25 1000.460 (g) (1); and

26 (5) any other information the Department of

1 Agriculture deems relevant.

2 (g) The Department of Agriculture may only issue an
3 infuser organization a processor license if, based on the
4 information pursuant to subsection (f) and any other criteria
5 set by the Department of Agriculture, which may include but
6 not be limited an inspection of the site where processing
7 would occur, the Department of Agriculture is reasonably
8 certain the infuser organization will process cannabis in a
9 safe and compliant manner.

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

11 (410 ILCS 705/40-25)

12 Sec. 40-25. Transporting organization requirements;
13 prohibitions.

14 (a) The operating documents of a transporting organization
15 shall include procedures for the oversight of the transporter,
16 an inventory monitoring system including a physical inventory
17 recorded weekly, accurate recordkeeping, and a staffing plan.

18 (b) A transporting organization may not transport cannabis
19 or cannabis-infused products to any person other than a
20 cultivation center, a craft grower, an infuser organization, a
21 dispensing organization, a testing facility, a transporting
22 organization depot or other transporting organization transfer
23 facility, or as otherwise authorized by rule. A transporting
24 organization shall be specifically allowed to use the same
25 transport vehicle to pick up or deliver cannabis products from

1 and to multiple craft growers, processors, and dispensaries
2 during the transporting organization's pick up and delivery
3 process.

4 (c) All cannabis transported by a transporting
5 organization must be entered into a data collection system and
6 placed into a cannabis container for transport.

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

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

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

17 (g) No person or individual who is not a transporting
18 organization agent shall be in a vehicle while transporting
19 cannabis goods.

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

22 (i) It is unlawful for any person to offer or deliver
23 money, or anything else of value, directly or indirectly, to
24 any of the following persons to obtain preferential placement
25 within the dispensing organization, including, without
26 limitation, on shelves and in display cases where purchasers

1 can view products, or on the dispensing organization's
2 website:

3 (1) a person having a transporting organization
4 license, or any officer, associate, member,
5 representative, or agent of the licensee;

6 (2) a person having an Early Applicant Adult Use
7 Dispensing Organization License, an Adult Use Dispensing
8 Organization License, or a medical cannabis dispensing
9 organization license issued under the Compassionate Use of
10 Medical Cannabis Program Act;

11 (3) a person connected with or in any way
12 representing, or a member of the family of, a person
13 holding an Early Applicant Adult Use Dispensing
14 Organization License, an Adult Use Dispensing Organization
15 License, or a medical cannabis dispensing organization
16 license issued under the Compassionate Use of Medical
17 Cannabis Program Act; or

18 (4) a stockholder, officer, manager, agent, or
19 representative of a corporation engaged in the retail sale
20 of cannabis, an Early Applicant Adult Use Dispensing
21 Organization License, an Adult Use Dispensing Organization
22 License, or a medical cannabis dispensing organization
23 license issued under the Compassionate Use of Medical
24 Cannabis Program Act.

25 (j) A transporting organization agent must keep his or her
26 identification card visible at all times when on the property

1 of a cannabis business establishment and during the
2 transporting of cannabis when acting under his or her duties
3 as a transportation organization agent. During these times,
4 the transporting organization agent must also provide the
5 identification card upon request of any law enforcement
6 officer engaged in his or her official duties.

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

10 (l) Cannabis shall be transported so it is not visible or
11 recognizable from outside the vehicle.

12 (m) A vehicle transporting cannabis must not bear any
13 markings to indicate the vehicle contains cannabis or bear the
14 name or logo of the cannabis business establishment.

15 (n) Cannabis must be transported in an enclosed, locked
16 storage compartment or security cage that is secured or
17 affixed to the vehicle.

18 (o) The Department of Agriculture may, by rule, impose any
19 other requirements or prohibitions on the transportation of
20 cannabis.

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

24 (410 ILCS 705/60-10)

25 Sec. 60-10. Tax imposed.

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

21 (a-5) The tax imposed under this Article shall not be
22 assessed against or collected from any craft grower awarded a
23 craft grower license under this Act until 2 years after the
24 date that the license is awarded to the craft grower.

25 (b) The Cannabis Cultivation Privilege Tax imposed under
26 this Article is solely the responsibility of the cultivator

1 who makes the first sale and is not the responsibility of a
2 subsequent purchaser, a dispensing organization, or an
3 infuser. Persons subject to the tax imposed under this Article
4 may, however, reimburse themselves for their tax liability
5 hereunder by separately stating reimbursement for their tax
6 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 (Source: P.A. 101-27, eff. 6-25-19.)