



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

SB3480

Introduced 2/8/2024, by Sen. Adriane Johnson

#### SYNOPSIS AS INTRODUCED:

410 ILCS 130/115  
410 ILCS 705/1-10  
410 ILCS 705/7-1

Amends the Compassionate Use of Medical Cannabis Program Act. Provides that the Department of Financial and Professional Regulation shall adopt rules to create a registration process for Adult Use Dispensing Organization Social Equity Licenses, as defined in the Cannabis Regulation and Tax Act, to sell cannabis under the Act. Provides that the registration process shall be available to all Adult Use Dispensing Organization Social Equity Licenses within 30 days of the issuance of the Adult Use Dispensing Organization Social Equity License. Amends the Cannabis Regulation and Tax Act. Defines "Adult Use Dispensing Organization Social Equity License". In the findings provisions of the Social Equity in the Cannabis Industry Article of the Act, provides that the General Assembly also finds and recognizes that the dispensaries established under the Compassionate Use of Medical Cannabis Program Act enacted in 2014 have inadvertently placed those dispensaries with an Adult Use Dispensing Organization Social Equity License at a competitive disadvantage. Provides that this competitive imbalance stems primarily from the established dispensaries' existing market presence and their capacity to sell cannabis to a well-established medical patient base at lower prices, a benefit derived from the exemption of certain taxes applicable to medical cannabis sales.

LRB103 38152 RLC 68285 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 Compassionate Use of Medical Cannabis  
5 Program Act is amended by changing Section 115 as follows:

6 (410 ILCS 130/115)

7 Sec. 115. Registration of dispensing organizations.

8 (a) The Department of Financial and Professional  
9 Regulation may issue up to 60 dispensing organization  
10 registrations for operation. The Department of Financial and  
11 Professional Regulation may not issue less than the 60  
12 registrations if there are qualified applicants who have  
13 applied with the Department of Financial and Professional  
14 Regulation. The organizations shall be geographically  
15 dispersed throughout the State to allow all registered  
16 qualifying patients reasonable proximity and access to a  
17 dispensing organization.

18 (a-5) The Department of Financial and Professional  
19 Regulation shall adopt rules to create a registration process  
20 for Social Equity Justice Involved Applicants and Qualifying  
21 Applicants, a streamlined application, and a Social Equity  
22 Justice Involved Medical Lottery under Section 115.5 to issue  
23 the remaining available 5 dispensing organization

1 registrations for operation.

2 (a-6) The Department of Financial and Professional  
3 Regulation shall adopt rules to create a registration process  
4 for Adult Use Dispensing Organization Social Equity Licenses,  
5 as defined in the Cannabis Regulation and Tax Act, to sell  
6 cannabis under this Act. The registration process shall be  
7 available to all Adult Use Dispensing Organization Social  
8 Equity Licenses within 30 days of the issuance of the Adult Use  
9 Dispensing Organization Social Equity License.

10 For purposes of this Section:

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

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

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

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

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

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

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

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

9 "Qualifying Applicant" means an applicant that: (i)  
10 submitted an application pursuant to Section 15-30 of the  
11 Cannabis Regulation and Tax Act that received at least 85% of  
12 250 application points available under Section 15-30 of the  
13 Cannabis Regulation and Tax Act as the applicant's final  
14 score; (ii) received points at the conclusion of the scoring  
15 process for meeting the definition of a "Social Equity  
16 Applicant" as set forth under the Cannabis Regulation and Tax  
17 Act; and (iii) is an applicant that did not receive a  
18 Conditional Adult Use Dispensing Organization License through  
19 a Qualifying Applicant Lottery pursuant to Section 15-35 of  
20 the Cannabis Regulation and Tax Act or any Tied Applicant  
21 Lottery conducted under the Cannabis Regulation and Tax Act.

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

25 (1) an applicant with at least 51% ownership and  
26 control by one or more individuals who have resided for at

1 least 5 of the preceding 10 years in a Disproportionately  
2 Impacted Area;

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

8 (3) an applicant with at least 51% ownership and  
9 control by one or more members of an impacted family.

10 (b) A dispensing organization may only operate if it has  
11 been issued a registration from the Department of Financial  
12 and Professional Regulation. The Department of Financial and  
13 Professional Regulation shall adopt rules establishing the  
14 procedures for applicants for dispensing organizations.

15 (c) When applying for a dispensing organization  
16 registration, the applicant shall submit, at a minimum, the  
17 following in accordance with Department of Financial and  
18 Professional Regulation rules:

19 (1) a non-refundable application fee established by  
20 rule;

21 (2) the proposed legal name of the dispensing  
22 organization;

23 (3) the proposed physical address of the dispensing  
24 organization;

25 (4) the name, address, and date of birth of each  
26 principal officer and board member of the dispensing

1 organization, provided that all those individuals shall be  
2 at least 21 years of age;

3 (5) (blank);

4 (6) (blank); and

5 (7) (blank).

6 (d) The Department of Financial and Professional  
7 Regulation shall conduct a background check of the prospective  
8 dispensing organization agents in order to carry out this  
9 Section. The Department of State Police shall charge a fee for  
10 conducting the criminal history record check, which shall be  
11 deposited in the State Police Services Fund and shall not  
12 exceed the actual cost of the record check. Each person  
13 applying as a dispensing organization agent shall submit a  
14 full set of fingerprints to the Department of State Police for  
15 the purpose of obtaining a State and federal criminal records  
16 check. These fingerprints shall be checked against the  
17 fingerprint records now and hereafter, to the extent allowed  
18 by law, filed in the Department of State Police and Federal  
19 Bureau of Investigation criminal history records databases.  
20 The Department of State Police shall furnish, following  
21 positive identification, all Illinois conviction information  
22 to the Department of Financial and Professional Regulation.

23 (e) A dispensing organization must pay a registration fee  
24 set by the Department of Financial and Professional  
25 Regulation.

26 (f) An application for a medical cannabis dispensing

1 organization registration must be denied if any of the  
2 following conditions are met:

3 (1) the applicant failed to submit the materials  
4 required by this Section, including if the applicant's  
5 plans do not satisfy the security, oversight, or  
6 recordkeeping rules issued by the Department of Financial  
7 and Professional Regulation;

8 (2) the applicant would not be in compliance with  
9 local zoning rules issued in accordance with Section 140;

10 (3) the applicant does not meet the requirements of  
11 Section 130;

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

15 (5) one or more of the prospective principal officers  
16 or board members has served as a principal officer or  
17 board member for a registered medical cannabis dispensing  
18 organization that has had its registration revoked; and

19 (6) one or more of the principal officers or board  
20 members is under 21 years of age.

21 (Source: P.A. 101-363, eff. 8-9-19; 102-98, eff. 7-15-21.)

22 Section 10. The Cannabis Regulation and Tax Act is amended  
23 by changing Sections 1-10 and 7-1 as follows:

24 (410 ILCS 705/1-10)

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

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

6           "Adult Use Dispensing Organization License" means a  
7 license issued by the Department of Financial and Professional  
8 Regulation that permits a person to act as a dispensing  
9 organization under this Act and any administrative rule made  
10 in furtherance of this Act.

11           "Adult Use Dispensing Organization Social Equity License"  
12 means a license issued by the Department of Financial and  
13 Professional Regulation to a Qualified Social Equity Applicant  
14 with current Ownership and Control that permits a person to  
15 act as a dispensing organization under this Act and any  
16 administrative rule made in furtherance of this Act and the  
17 Compassionate Use of Medical Cannabis Program 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  
24 cannabis business establishment.

25           "Application points" means the number of points a  
26 Dispensary Applicant receives on an application for a



1 Conditional Adult Use Dispensing Organization License.

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

12 "By lot" means a randomized method of choosing between 2  
13 or more Eligible Tied Applicants or 2 or more Qualifying  
14 Applicants.

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

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

8 "Cannabis business establishment" means a cultivation  
9 center, craft grower, processing organization, infuser  
10 organization, dispensing organization, or transporting  
11 organization.

12 "Cannabis concentrate" means a product derived from  
13 cannabis that is produced by extracting cannabinoids,  
14 including tetrahydrocannabinol (THC), from the plant through  
15 the use of propylene glycol, glycerin, butter, olive oil, or  
16 other typical cooking fats; water, ice, or dry ice; or butane,  
17 propane, CO<sub>2</sub>, ethanol, or isopropanol and with the intended  
18 use of smoking or making a cannabis-infused product. The use  
19 of any other solvent is expressly prohibited unless and until  
20 it is approved by the Department of Agriculture.

21 "Cannabis container" means a sealed or resealable,  
22 traceable, container, or package used for the purpose of  
23 containment of cannabis or cannabis-infused product during  
24 transportation.

25 "Cannabis flower" means marijuana, hashish, and other  
26 substances that are identified as including any parts of the

1 plant Cannabis sativa and including derivatives or subspecies,  
2 such as indica, of all strains of cannabis; including raw  
3 kief, leaves, and buds, but not resin that has been extracted  
4 from any part of such plant; nor any compound, manufacture,  
5 salt, derivative, mixture, or preparation of such plant, its  
6 seeds, or resin.

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

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

17 "Cannabis plant monitoring system" or "plant monitoring  
18 system" means a system that includes, but is not limited to,  
19 testing and data collection established and maintained by the  
20 cultivation center, craft grower, or processing organization  
21 and that is available to the Department of Revenue, the  
22 Department of Agriculture, the Department of Financial and  
23 Professional Regulation, and the Illinois State Police for the  
24 purposes of documenting each cannabis plant and monitoring  
25 plant development throughout the life cycle of a cannabis  
26 plant cultivated for the intended use by a customer from seed

1 planting to final packaging.

2 "Cannabis testing facility" means an entity registered by  
3 the Department of Agriculture to test cannabis for potency and  
4 contaminants.

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

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

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

20 "Conditional Adult Use Dispensing Organization License"  
21 means a contingent license awarded to applicants for an Adult  
22 Use Dispensing Organization License that reserves the right to  
23 an Adult Use Dispensing Organization License if the applicant  
24 meets certain conditions described in this Act, but does not  
25 entitle the recipient to begin purchasing or selling cannabis  
26 or cannabis-infused products.

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

8 "Craft grower" means a facility operated by an  
9 organization or business that is licensed by the Department of  
10 Agriculture to cultivate, dry, cure, and package cannabis and  
11 perform other necessary activities to make cannabis available  
12 for sale at a dispensing organization or use at a processing  
13 organization. A craft grower may contain up to 5,000 square  
14 feet of canopy space on its premises for plants in the  
15 flowering state. The Department of Agriculture may authorize  
16 an increase or decrease of flowering stage cultivation space  
17 in increments of 3,000 square feet by rule based on market  
18 need, craft grower capacity, and the licensee's history of  
19 compliance or noncompliance, with a maximum space of 14,000  
20 square feet for cultivating plants in the flowering stage,  
21 which must be cultivated in all stages of growth in an enclosed  
22 and secure area. A craft grower may share premises with a  
23 processing organization or a dispensing organization, or both,  
24 provided each licensee stores currency and cannabis or  
25 cannabis-infused products in a separate secured vault to which  
26 the other licensee does not have access or all licensees

1 sharing a vault share more than 50% of the same ownership.

2 "Craft grower agent" means a principal officer, board  
3 member, employee, or other agent of a craft grower who is 21  
4 years of age or older.

5 "Craft Grower Agent Identification Card" means a document  
6 issued by the Department of Agriculture that identifies a  
7 person as a craft grower agent.

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

14 "Cultivation center agent" means a principal officer,  
15 board member, employee, or other agent of a cultivation center  
16 who is 21 years of age or older.

17 "Cultivation Center Agent Identification Card" means a  
18 document issued by the Department of Agriculture that  
19 identifies a person as a cultivation center agent.

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

21 "Dispensary" means a facility operated by a dispensing  
22 organization at which activities licensed by this Act may  
23 occur.

24 "Dispensary Applicant" means the Proposed Dispensing  
25 Organization Name as stated on an application for a  
26 Conditional Adult Use Dispensing Organization License.

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

14 "Dispensing organization agent" means a principal officer,  
15 employee, or agent of a dispensing organization who is 21  
16 years of age or older.

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

21 "Disproportionately Impacted Area" means a census tract or  
22 comparable geographic area that satisfies the following  
23 criteria as determined by the Department of Commerce and  
24 Economic Opportunity, that:

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

26 (A) the area has a poverty rate of at least 20%

1 according to the latest federal decennial census; or  
2 (B) 75% or more of the children in the area  
3 participate in the federal free lunch program  
4 according to reported statistics from the State Board  
5 of Education; or

6 (C) at least 20% of the households in the area  
7 receive assistance under the Supplemental Nutrition  
8 Assistance Program; or

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

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

19 "Early Approval Adult Use Cultivation Center License"  
20 means a license that permits a medical cannabis cultivation  
21 center licensed under the Compassionate Use of Medical  
22 Cannabis Program Act as of the effective date of this Act to  
23 begin cultivating, infusing, packaging, transporting (unless  
24 otherwise provided in this Act), processing, and selling  
25 cannabis or cannabis-infused product to cannabis business  
26 establishments for resale to purchasers as permitted by this



1 Act as of January 1, 2020.

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

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

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

20 "Enclosed, locked facility" means a room, greenhouse,  
21 building, or other enclosed area equipped with locks or other  
22 security devices that permit access only by cannabis business  
23 establishment agents working for the licensed cannabis  
24 business establishment or acting pursuant to this Act to  
25 cultivate, process, store, or distribute cannabis.

26 "Enclosed, locked space" means a closet, room, greenhouse,

1 building, or other enclosed area equipped with locks or other  
2 security devices that permit access only by authorized  
3 individuals under this Act. "Enclosed, locked space" may  
4 include:

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

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

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

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

26 (1) if greater than 2 stigmas are visible at each

1 internode of the plant; or

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

7 "Individual" means a natural person.

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

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

17 "Labor peace agreement" means an agreement between a  
18 cannabis business establishment and any labor organization  
19 recognized under the National Labor Relations Act, referred to  
20 in this Act as a bona fide labor organization, that prohibits  
21 labor organizations and members from engaging in picketing,  
22 work stoppages, boycotts, and any other economic interference  
23 with the cannabis business establishment. This agreement means  
24 that the cannabis business establishment has agreed not to  
25 disrupt efforts by the bona fide labor organization to  
26 communicate with, and attempt to organize and represent, the

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

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

23 "Member of an impacted family" means an individual who has  
24 a parent, legal guardian, child, spouse, or dependent, or was  
25 a dependent of an individual who, prior to the effective date  
26 of this Act, was arrested for, convicted of, or adjudicated

1 delinquent for any offense that is eligible for expungement  
2 under this Act.

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

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

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

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

22 "Possession limit" means the amount of cannabis under  
23 Section 10-10 that may be possessed at any one time by a person  
24 21 years of age or older or who is a registered qualifying  
25 medical cannabis patient or caregiver under the Compassionate  
26 Use of Medical Cannabis Program Act.

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

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

20 "Processing organization" or "processor" means a facility  
21 operated by an organization or business that is licensed by  
22 the Department of Agriculture to either extract constituent  
23 chemicals or compounds to produce cannabis concentrate or  
24 incorporate cannabis or cannabis concentrate into a product  
25 formulation to produce a cannabis product.

26 "Processing organization agent" means a principal officer,

1 board member, employee, or agent of a processing organization.

2 "Processing organization agent identification card" means  
3 a document issued by the Department of Agriculture that  
4 identifies a person as a processing organization agent.

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

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

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

21 "Qualified Social Equity Applicant" means a Social Equity  
22 Applicant who has been awarded a conditional license under  
23 this Act to operate a cannabis business establishment.

24 "Resided" means an individual's primary residence was  
25 located within the relevant geographic area as established by  
26 2 of the following:

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

3           (2) a property deed that includes the applicant's  
4 name;

5           (3) school records;

6           (4) a voter registration card;

7           (5) an Illinois driver's license, an Illinois  
8 Identification Card, or an Illinois Person with a  
9 Disability Identification Card;

10          (6) a paycheck stub;

11          (7) a utility bill;

12          (8) tax records; or

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

15          "Smoking" means the inhalation of smoke caused by the  
16 combustion of cannabis.

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

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

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

25           (i) have been arrested for, convicted of, or  
26 adjudicated delinquent for any offense that is



- 1 eligible for expungement under this Act; or
- 2 (ii) is a member of an impacted family;
- 3 (3) for applicants with a minimum of 10 full-time
- 4 employees, an applicant with at least 51% of current
- 5 employees who:
- 6 (i) currently reside in a Disproportionately
- 7 Impacted Area; or
- 8 (ii) have been arrested for, convicted of, or
- 9 adjudicated delinquent for any offense that is
- 10 eligible for expungement under this Act or member of
- 11 an impacted family.

12 Nothing in this Act shall be construed to preempt or limit

13 the duties of any employer under the Job Opportunities for

14 Qualified Applicants Act. Nothing in this Act shall permit an

15 employer to require an employee to disclose sealed or expunged

16 offenses, unless otherwise required by law.

17 "Tied Applicant" means an application submitted by a

18 Dispensary Applicant pursuant to Section 15-30 that received

19 the same number of application points under Section 15-30 as

20 the Dispensary Applicant's final score as one or more

21 top-scoring applications in the same BLS Region and would have

22 been awarded a license but for the one or more other

23 top-scoring applications that received the same number of

24 application points. Each application for which a Dispensary

25 Applicant was required to pay a required application fee for

26 the application period ending January 2, 2020 shall be

1 considered an application of a separate Tied Applicant.

2 "Tied Applicant Lottery" means the process established  
3 under 68 Ill. Adm. Code 1291.50 for awarding Conditional Adult  
4 Use Dispensing Organization Licenses pursuant to Sections  
5 15-25 and 15-30 among Eligible Tied Applicants.

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

13 "Transporting organization" or "transporter" means an  
14 organization or business that is licensed by the Department of  
15 Agriculture to transport cannabis or cannabis-infused product  
16 on behalf of a cannabis business establishment or a community  
17 college licensed under the Community College Cannabis  
18 Vocational Training Pilot Program.

19 "Transporting organization agent" means a principal  
20 officer, board member, employee, or agent of a transporting  
21 organization.

22 "Transporting organization agent identification card"  
23 means a document issued by the Department of Agriculture that  
24 identifies a person as a transporting organization agent.

25 "Unit of local government" means any county, city,  
26 village, or incorporated town.

1 "Vegetative stage" means the stage of cultivation in which  
2 a cannabis plant is propagated to produce additional cannabis  
3 plants or reach a sufficient size for production. This  
4 includes seedlings, clones, mothers, and other immature  
5 cannabis plants as follows:

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

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

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

17 (410 ILCS 705/7-1)

18 Sec. 7-1. Findings.

19 (a) The General Assembly finds that the medical cannabis  
20 industry, established in 2014 through the Compassionate Use of  
21 Medical Cannabis Program Act, has shown that additional  
22 efforts are needed to reduce barriers to ownership. Through  
23 that program, 55 licenses for dispensing organizations and 20  
24 licenses for cultivation centers have been issued. Those  
25 licenses are held by only a small number of businesses, the

1 ownership of which does not sufficiently meet the General  
2 Assembly's interest in business ownership that reflects the  
3 population of the State of Illinois and that demonstrates the  
4 need to reduce barriers to entry for individuals and  
5 communities most adversely impacted by the enforcement of  
6 cannabis-related laws.

7 (b) In the interest of establishing a legal cannabis  
8 industry that is equitable and accessible to those most  
9 adversely impacted by the enforcement of drug-related laws in  
10 this State, including cannabis-related laws, the General  
11 Assembly finds and declares that a social equity program  
12 should be established.

13 (c) The General Assembly also finds and declares that  
14 individuals who have been arrested or incarcerated due to drug  
15 laws suffer long-lasting negative consequences, including  
16 impacts to employment, business ownership, housing, health,  
17 and long-term financial well-being.

18 (d) The General Assembly also finds and declares that  
19 family members, especially children, and communities of those  
20 who have been arrested or incarcerated due to drug laws,  
21 suffer from emotional, psychological, and financial harms as a  
22 result of such arrests or incarcerations.

23 (e) Furthermore, the General Assembly finds and declares  
24 that certain communities have disproportionately suffered the  
25 harms of enforcement of cannabis-related laws. Those  
26 communities face greater difficulties accessing traditional

1 banking systems and capital for establishing businesses.

2 (f) The General Assembly also finds that individuals who  
3 have resided in areas of high poverty suffer negative  
4 consequences, including barriers to entry in employment,  
5 business ownership, housing, health, and long-term financial  
6 well-being.

7 (g) The General Assembly also finds and declares that  
8 promotion of business ownership by individuals who have  
9 resided in areas of high poverty and high enforcement of  
10 cannabis-related laws furthers an equitable cannabis industry.

11 (g-1) The General Assembly also finds and recognizes that  
12 the dispensaries established under the Compassionate Use of  
13 Medical Cannabis Program Act enacted in 2014 have  
14 inadvertently placed those dispensaries with an Adult Use  
15 Dispensing Organization Social Equity License at a competitive  
16 disadvantage. This competitive imbalance stems primarily from  
17 the established dispensaries' existing market presence and  
18 their capacity to sell cannabis to a well-established medical  
19 patient base at lower prices, a benefit derived from the  
20 exemption of certain taxes applicable to medical cannabis  
21 sales.

22 (h) Therefore, in the interest of remedying the harms  
23 resulting from the disproportionate enforcement of  
24 cannabis-related laws, the General Assembly finds and declares  
25 that a social equity program should offer, among other things,  
26 financial assistance and license application benefits to

1 individuals most directly and adversely impacted by the  
2 enforcement of cannabis-related laws who are interested in  
3 starting cannabis business establishments.

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