**Section 1291.340 Onsite Consumption Lounges**

a) Dispensing organizations may operate an onsite consumption lounge within its dispensary only if its unit of local government has authorized it to do so pursuant to Section 55-25 of the Act. Proof of authorization must be submitted to the Department.

b) Dispensing organizations may only operate an onsite consumption lounge at the dispensary's address or in a building contiguous to the dispensary. If the dispensary's onsite consumption lounge is within the dispensary, the dispensary shall maintain a designated area for the purpose of the heating, burning, smoking, or consuming activities that is separate from the remainder of the dispensary.

c) If specially authorized by its unit of local government, dispensaries may operate an outdoor onsite consumption lounge. Outdoor consumption shall not be visible to the public (high fences, shrubs, etc., are permissible); and the interior of the onsite consumption lounge and dispensary shall be separated from the outdoor onsite consumption lounge by a locked and secured door. Patrons of the outdoor onsite consumption lounge may re-enter the interior onsite consumption lounge and dispensary's limited access area and bathrooms for the duration of their visit so long as a security guard, licensed agent, AIC or principal officer is stationed at the point of re-entry during all hours of the lounge's hours of operation. Onsite consumption lounge and dispensary staff may enter and exit all sections of the facility.

d) Dispensaries which are authorized by their unit of local government to operate an onsite consumption lounge at its dispensary shall abide by all local rules, regulations, and ordinances, including, but not limited to: zoning regulations, local health and safety standards, and fire safety regulations.

e) Dispensaries seeking to operate an onsite consumption lounge at its dispensary must be approved by the Department in a form or manner prescribed by the Department. In seeking approval, the dispensary shall submit, at a minimum, the following:

1) A copy of the unit of local government's authorization to operate an onsite consumption lounge and any supporting documents thereof;

2) A copy of the proposed floor plan of the onsite consumption lounge;

3) Identification of all staff who will work at the onsite consumption lounge;

4) A copy of the dispensary's policies and procedures for the onsite consumption lounge, including, but not limited to, any policies and procedures regarding pricing, security measures, staffing plans, hours of operation, etc. and those required by subsection (g)(9);

5) A copy of the security plan of the onsite consumption lounge;

6) A copy of the lease or landlord consent to operate an onsite consumption lounge or proof of ownership of the land the onsite consumption lounge is located; and

7) A copy of the policies and procedures of the onsite consumption including all information required by Sections 15-65 and 15-110 of the Act.

f) Dispensaries are prohibited from initiating any material changes to the consumption lounge without prior approval by the unit of local government and the Department.

g) A dispensary may operate an onsite consumption lounge subject to the following conditions:

1) All employees of an onsite consumption lounge shall be a licensed agent or agent-in-charge of the dispensary;

2) Dispensaries shall verify all individuals entering an onsite consumption lounge are in compliance with Section 10-20 of the Act;

3) Cannabis and cannabis infused products shall not be dispensed in the onsite consumption lounge unless in accordance with 410 ILCS 705/15-100(c)(5);

4) Onsite consumption lounges must be separate and distinct from the remainder of the dispensary, including the public access area, the limited access area, and the restricted access area, and is separated from the remainder of the dispensary by a door capable of being locked;

5) Onsite consumption lounges shall not be publicly accessible (except as otherwise permitted as a point of re-entry under subsection (c)), unless the, entrance also includes its own public access area and security guard during all hours of operation;

6) Onsite consumption lounges shall not hold any liquor license issued under 235 ILCS 5/5-1 or any gaming license issued under 230 ILCS 40/90;

7) Onsite consumption lounges are permitted to serve food and drinks so long as the following conditions are met:

A) The onsite consumption lounge has obtained the necessary certifications or licenses to serve food, other than cannabis-infused products, that are required by the unit of local government and State law;

B) The onsite consumption lounge complies with the Illinois Food Code (77 Ill. Adm. Code 750) and the Food Handling Regulation Enforcement Act [410 ILCS 625]; and

C) Such food or drink qualifies as a "related supply" as that term is defined in Section 1291.335.

8) The onsite consumption lounge shall have security cameras, which comply with Section 15-100(i)(2) of the Act, facing any areas of ingress or egress. Cameras are not required to record those consuming products, only those entering and leaving through areas of ingress or egress;

9) All cash and currency collected at the onsite consumption lounge shall be treated the same as cash and currency collected by the dispensary and shall be stored securely in compliance with Section 15-100 of the Act;

10) Copy of internal policies shall be kept onsite within the onsite consumption lounge that shall include, at a minimum:

A) A business plan that includes a description of the proposed hours of operation;

B) A responsible operations plan that includes a detailed explanation of how employees will monitor and prevent over-intoxication, underage access to the onsite consumption lounge, the illegal sale or distribution of cannabis or cannabis-infused products within the onsite consumption lounge, and any other potential criminal activity on the premises. Operation plans may also identify how to best prevent impaired driving by encouraging consumers to consider alternative transportation options;

C) A documented employee training plan that addresses all components of the responsible operations plan; and

D) A cannabis product destruction and waste management plan that meets the requirements of this Part, as applicable, for destroying and disposing of cannabis waste left at the onsite consumption lounge.

11) Only persons 21 years of age or older shall be permitted access to onsite consumption lounges;

12) The onsite consumption lounge shall have a smoke-free area for both employees and the Department to monitor the onsite consumption lounge;

13) The onsite consumption lounge shall have a ventilation system that directs air from the consumption area to the outside of the building through a filtration system sufficient to remove visible smoke, consistent with all applicable building codes and ordinances, and adequate to eliminate odor at the property line, if consumption by inhalation is permitted;

14) If cannabis is abandoned in the consumption lounge, it must be destroyed in compliance with Section 1291.325;

15) Dispensaries may charge a fee for entrance and usage of onsite consumption lounges; and

16) Any other requirements that the Department deems necessary based on local zoning authorities or unique security concerns.

h) Onsite consumption lounges remain subject to random inspections by the Department.

i) If Department inspectors or emergency personnel enter the onsite consumption lounge and upon the inspector's or emergency personnel's direction, a dispensary is responsible for ensuring that all consumption and other activities, including sales within the dispensary, cease until the personnel have completed their investigation or services and have left the premises.

j) State standards and requirements. Any standards, requirements, and rules regarding the health and safety, environmental protection, testing, security, food safety, and worker protections established by the State shall be the minimum standards for all licensees with onsite consumption lounges under the Act statewide, where applicable. Knowing violations of any State or local law, ordinance, or rule conferring worker protections or legal rights on the employees of a licensee may be grounds for disciplinary action under the Act, in addition to any penalties established by another unit of government.

(Source: Added at 48 Ill. Reg. 13377, effective August 20, 2024)