

Sen. Toi W. Hutchinson

## Filed: 4/25/2017

|    | 10000SB1294sam002 LRB100 09774 SLF 25305 a                     |
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| 1  | AMENDMENT TO SENATE BILL 1294                                  |
| 2  | AMENDMENT NO Amend Senate Bill 1294, AS AMENDED,               |
| 3  | by replacing everything after the enacting clause with the     |
| 4  | following:   |
|    |  |
| 5  | "Section 1. Short title. This Act may be cited as the          |
| 6  | Industrial Hemp Act.   |
|    |  |
| 7  | Section 5. Definitions. In this Act:                           |
| 8  | "Department" means the Department of Agriculture.              |
| 9  | "Director" means the Director of Agriculture.                  |
| 10 | "Industrial hemp" means the plant Cannabis sativa L. and       |
| 11 | any part of that plant, whether growing or not, with a delta-9 |
| 12 | tetrahydrocannabinol concentration of not more than 0.3        |
| 13 | percent on a dry weight basis that has been cultivated under a |
| 14 | license issued under this Act.                                 |
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15 Section 10. Licenses.

(a) A person desiring to cultivate industrial hemp shall be
 licensed by the Department.

3 (b) The application for a license shall include the name 4 and address of the applicant and the legal description of the 5 land area, including Global Positioning System coordinates, to 6 be used to cultivate industrial hemp.

7 (c) The Department may determine, by rule, the duration of
8 a license and the requirements for license renewal.

9 Section 15. Rules.

(a) The application and licensing requirements shall be
determined by the Department and set by rule within 240 days of
the effective date of this Act.

(b) The rules set by the Department shall include one yearly inspection and one yearly surprise inspection of a licensed industrial hemp cultivation operation.

16 (c) The Department shall adopt rules necessary for the 17 administration and enforcement of this Act, including rules 18 concerning standards and criteria for licensure, for the 19 payment of applicable fees, signage, and for forms required for 20 the administration of this Act.

21 Section 17. Administrative hearings. Administrative 22 hearings involving licensees under the Act shall be conducted 23 under the Department of Agriculture's rules governing formal 24 administrative proceedings. 10000SB1294sam002 -3- LRB100 09774 SLF 25305 a

Section 18. Industrial Hemp Regulatory Fund. There is created in the State treasury a special fund to be known as the Industrial Hemp Regulatory Fund. All fees and fines collected by the Department under this Act shall be deposited into the Fund. Monies in the Fund shall be utilized by the Department for the purposes of implementation, administration, and enforcement of this Act.

8 Section 19. Immunity. A person employed by the Department 9 shall not be subject to criminal or civil penalties for taking 10 any action under this Act when the actions are within the scope 11 of his or her employment. Representation and indemnification of 12 Department employees shall be provided to Department employees 13 as set forth in Section 2 of the State Employee Indemnification 14 Act.

15 Section 20. Hemp products. Nothing in this Act shall alter 16 the legality of hemp or hemp products that are presently legal 17 to possess or own. To the extent that the Compassionate Use of 18 Medical Cannabis Pilot Program Act, and its rules, regulate 19 products marketed as CBD medicinal products, that Act and its 20 rules control the production and sale of those products.

21 Section 25. Violation of federal law. Nothing in this Act 22 shall be construed to authorize any person to violate federal 10000SB1294sam002 -4- LRB100 09774 SLF 25305 a

1 rules, regulations, or laws. If any part of this Act conflicts 2 with a provision of the federal laws regarding industrial hemp, 3 the federal provisions shall control to the extent of the 4 conflict.

5 Section 30. Home rule. The regulation and licensing of 6 persons to grow, cultivate, process, possess, sell, or purchase 7 industrial hemp or industrial hemp related products are 8 exclusive powers and functions of the State. These powers and 9 functions shall not be exercised concurrently, either directly 10 or indirectly, by any unit of local government, including home rule units, except as otherwise provided in this Act. This 11 12 Section is a limitation of home rule powers and functions under subsection (h) of Section 6 of Article VII of the Illinois 13 14 Constitution.

Section 895. The State Finance Act is amended by adding Section 5.878 as follows:

- 17 (30 ILCS 105/5.878 new)
- 18 Sec. 5.878. The Industrial Hemp Regulatory Fund.

Section 900. The Illinois Noxious Weed Law is amended by changing Section 2 as follows:

21 (505 ILCS 100/2) (from Ch. 5, par. 952)

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## Sec. 2. As used in this Act:

(1) "Person" means any individual, partnership, firm,
corporation, company, society, association, the State or any
department, agency, or subdivision thereof, or any other
entity.

6 (2) "Control", "controlled" or "controlling" includes 7 being in charge of or being in possession, whether as owner, 8 lessee, renter, or tenant, under statutory authority, or 9 otherwise.

10 (3) "Director" means the Director of the Department of 11 Agriculture of the State of Illinois, or his or her duly 12 appointed representative.

13 (4) "Department" means the Department of Agriculture of the14 State of Illinois.

(5) "Noxious weed" means any plant which is determined by 15 16 the Director, the Dean of the College of Agricultural, Consumer and Environmental Sciences of the University of Illinois and 17 18 the Director of the Agricultural Experiment Station at the 19 University of Illinois, to be injurious to public health, 20 crops, livestock, land or other property. "Noxious weed" does not include industrial hemp as defined and authorized under the 21 22 Industrial Hemp Act.

(6) "Control Authority" means the governing body of each
county, and shall represent all rural areas and cities,
villages and townships within the county boundaries.

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(7) "Applicable fund" means the fund current at the time

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1 the work is performed or the money is received.

2 (Source: P.A. 99-539, eff. 7-8-16.)

3 Section 905. The Cannabis Control Act is amended by 4 changing Sections 3 and 8 as follows:

5 (720 ILCS 550/3) (from Ch. 56 1/2, par. 703)

6 Sec. 3. As used in this Act, unless the context otherwise 7 requires:

8 (a) "Cannabis" includes marihuana, hashish and other 9 substances which are identified as including any parts of the plant Cannabis Sativa, whether growing or not; the seeds 10 11 thereof, the resin extracted from any part of such plant; and 12 any compound, manufacture, salt, derivative, mixture, or 13 preparation of such plant, its seeds, or resin, including 14 tetrahydrocannabinol (THC) and all other cannabinol 15 derivatives, including its naturally occurring or synthetically produced ingredients, whether produced directly 16 or indirectly by extraction, or independently by means of 17 18 chemical synthesis or by a combination of extraction and 19 chemical synthesis; but shall not include the mature stalks of 20 such plant, fiber produced from such stalks, oil or cake made 21 from the seeds of such plant, any other compound, manufacture, 22 salt, derivative, mixture, or preparation of such mature stalks 23 (except the resin extracted therefrom), fiber, oil or cake, or 24 the sterilized seed of such plant which is incapable of

germination. <u>"Cannabis" does not include industrial hemp as</u> defined and authorized under the Industrial Hemp Act.

3 (b) "Casual delivery" means the delivery of not more than 4 10 grams of any substance containing cannabis without 5 consideration.

6 (c) "Department" means the Illinois Department of Human 7 Services (as successor to the Department of Alcoholism and 8 Substance Abuse) or its successor agency.

9 (d) "Deliver" or "delivery" means the actual, constructive 10 or attempted transfer of possession of cannabis, with or 11 without consideration, whether or not there is an agency 12 relationship.

13 (e) "Department of State Police" means the Department of14 State Police of the State of Illinois or its successor agency.

15 (f) "Director" means the Director of the Department of16 State Police or his designated agent.

17 (g) "Local authorities" means a duly organized State,18 county, or municipal peace unit or police force.

"Manufacture" means the production, preparation, 19 (h) propagation, compounding, conversion or processing of 20 cannabis, either directly or indirectly, by extraction from 21 22 substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and 23 24 chemical synthesis, and includes any packaging or repackaging 25 of cannabis or labeling of its container, except that this term 26 does not include the preparation, compounding, packaging, or

labeling of cannabis as an incident to lawful research,
 teaching, or chemical analysis and not for sale.

3 (i) "Person" means any individual, corporation, government
4 or governmental subdivision or agency, business trust, estate,
5 trust, partnership or association, or any other entity.

(j) "Produce" or "production" means planting, cultivating,
tending or harvesting.

8 (k) "State" includes the State of Illinois and any state, 9 district, commonwealth, territory, insular possession thereof, 10 and any area subject to the legal authority of the United 11 States of America.

(1) "Subsequent offense" means an offense under this Act, the offender of which, prior to his conviction of the offense, has at any time been convicted under this Act or under any laws of the United States or of any state relating to cannabis, or any controlled substance as defined in the Illinois Controlled Substances Act.

18 (Source: P.A. 89-507, eff. 7-1-97.)

19 (720 ILCS 550/8) (from Ch. 56 1/2, par. 708)

Sec. 8. It is unlawful for any person knowingly to produce the cannabis sativa plant or to possess such plants unless production or possession has been authorized pursuant to the provisions of Section 11 or 15.2 of the Act. Any person who violates this Section with respect to production or possession of: 10000SB1294sam002

(a) Not more than 5 plants is guilty of a Class A
 misdemeanor.

3 (b) More than 5, but not more than 20 plants, is guilty of 4 a Class 4 felony.

5 (c) More than 20, but not more than 50 plants, is guilty of 6 a Class 3 felony.

(d) More than 50, but not more than 200 plants, is guilty 7 8 of a Class 2 felony for which a fine not to exceed \$100,000 may 9 be imposed and for which liability for the cost of conducting 10 the investigation and eradicating such plants may be assessed. 11 Compensation for expenses incurred in the enforcement of this provision shall be transmitted to and deposited in the 12 13 treasurer's office at the level of government represented by 14 the Illinois law enforcement agency whose officers or employees 15 conducted the investigation or caused the arrest or arrests 16 leading to the prosecution, to be subsequently made available to that law enforcement agency as expendable receipts for use 17 in the enforcement of laws regulating controlled substances and 18 cannabis. If such seizure was made by a combination of law 19 20 enforcement personnel representing different levels of 21 government, the court levying the assessment shall determine 22 the allocation of such assessment. The proceeds of assessment 23 awarded to the State treasury shall be deposited in a special 24 fund known as the Drug Traffic Prevention Fund.

(e) More than 200 plants is guilty of a Class 1 felony for
which a fine not to exceed \$100,000 may be imposed and for

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1 which liability for the cost of conducting the investigation 2 and eradicating such plants may be assessed. Compensation for 3 expenses incurred in the enforcement of this provision shall be 4 transmitted to and deposited in the treasurer's office at the 5 level of government represented by the Illinois law enforcement 6 agency whose officers or employees conducted the investigation or caused the arrest or arrests leading to the prosecution, to 7 8 be subsequently made available to that law enforcement agency 9 as expendable receipts for use in the enforcement of laws 10 regulating controlled substances and cannabis. If such seizure was made by a combination of law enforcement personnel 11 representing different levels of government, the court levying 12 13 assessment shall determine the allocation of such the assessment. The proceeds of assessment awarded to the State 14 15 treasury shall be deposited in a special fund known as the Drug 16 Traffic Prevention Fund.

17 (Source: P.A. 98-1072, eff. 1-1-15.)

18 (720 ILCS 550/15.2 rep.)

Section 910. The Cannabis Control Act is amended by repealing Section 15.2.".