

1 AN ACT concerning regulation.

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

4 ARTICLE 1.

5 SHORT TITLE; FINDINGS; DEFINITIONS

6 Section 1-1. Short title. This Act may be cited as the
7 Cannabis Regulation and Tax Act.

8 Section 1-5. Findings.

9 (a) In the interest of allowing law enforcement to focus on
10 violent and property crimes, generating revenue for education,
11 substance abuse prevention and treatment, freeing public
12 resources to invest in communities and other public purposes,
13 and individual freedom, the General Assembly finds and declares
14 that the use of cannabis should be legal for persons 21 years
15 of age or older and should be taxed in a manner similar to
16 alcohol.

17 (b) In the interest of the health and public safety of the
18 residents of Illinois, the General Assembly further finds and
19 declares that cannabis should be regulated in a manner similar
20 to alcohol so that:

21 (1) persons will have to show proof of age before
22 purchasing cannabis;

1 (2) selling, distributing, or transferring cannabis to
2 minors and other persons under 21 years of age shall remain
3 illegal;

4 (3) driving under the influence of cannabis shall
5 remain illegal;

6 (4) legitimate, taxpaying business people, and not
7 criminal actors, will conduct sales of cannabis;

8 (5) cannabis sold in this State will be tested,
9 labeled, and subject to additional regulation to ensure
10 that purchasers are informed and protected; and

11 (6) purchasers will be informed of any known health
12 risks associated with the use of cannabis, as concluded by
13 evidence-based, peer reviewed research.

14 (c) The General Assembly further finds and declares that it
15 is necessary to ensure consistency and fairness in the
16 application of this Act throughout the State and that,
17 therefore, the matters addressed by this Act are, except as
18 specified in this Act, matters of statewide concern.

19 (d) The General Assembly further finds and declares that
20 this Act shall not diminish the State's duties and commitment
21 to seriously ill patients registered under the Compassionate
22 Use of Medical Cannabis Pilot Program Act, nor alter the
23 protections granted to them.

24 (e) The General Assembly supports and encourages labor
25 neutrality in the cannabis industry and further finds and
26 declares that employee workplace safety shall not be diminished

1 and employer workplace policies shall be interpreted broadly to
2 protect employee safety.

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

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

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

13 "Advertise" means to engage in promotional activities
14 including, but not limited to: newspaper, radio, Internet and
15 electronic media, and television advertising; the distribution
16 of fliers and circulars; and the display of window and interior
17 signs.

18 "BLS Region" means a region in Illinois used by the United
19 States Bureau of Labor Statistics to gather and categorize
20 certain employment and wage data. The 17 such regions in
21 Illinois are: Bloomington, Cape Girardeau, Carbondale-Marion,
22 Champaign-Urbana, Chicago-Naperville-Elgin, Danville,
23 Davenport-Moline-Rock Island, Decatur, Kankakee, Peoria,
24 Rockford, St. Louis, Springfield, Northwest Illinois
25 nonmetropolitan area, West Central Illinois nonmetropolitan

1 area, East Central Illinois nonmetropolitan area, and South
2 Illinois nonmetropolitan area.

3 "Cannabis" means marijuana, hashish, and other substances
4 that are identified as including any parts of the plant
5 Cannabis sativa and including derivatives or subspecies, such
6 as indica, of all strains of cannabis, whether growing or not;
7 the seeds thereof, the resin extracted from any part of the
8 plant; and any compound, manufacture, salt, derivative,
9 mixture, or preparation of the plant, its seeds, or resin,
10 including tetrahydrocannabinol (THC) and all other naturally
11 produced cannabinol derivatives, whether produced directly or
12 indirectly by extraction; however, "cannabis" does not include
13 the mature stalks of the plant, fiber produced from the stalks,
14 oil or cake made from the seeds of the plant, any other
15 compound, manufacture, salt, derivative, mixture, or
16 preparation of the mature stalks (except the resin extracted
17 from it), fiber, oil or cake, or the sterilized seed of the
18 plant that is incapable of germination. "Cannabis" does not
19 include industrial hemp as defined and authorized under the
20 Industrial Hemp Act. "Cannabis" also means concentrate and
21 cannabis-infused products.

22 "Cannabis business establishment" means a cultivation
23 center, craft grower, processing organization, dispensing
24 organization, or transporting organization.

25 "Cannabis concentrate" means a product derived from
26 cannabis that is produced by extracting cannabinoids from the

1 plant through the use of propylene glycol, glycerin, butter,
2 olive oil or other typical cooking fats; water, ice, or dry
3 ice; or butane, propane, CO₂, ethanol, or isopropanol. The use
4 of any other solvent is expressly prohibited unless and until
5 it is approved by the Department of Agriculture.

6 "Cannabis container" means a sealed, traceable, container,
7 or package used for the purpose of containment of cannabis or
8 cannabis-infused product during transportation.

9 "Cannabis flower" means marijuana, hashish, and other
10 substances that are identified as including any parts of the
11 plant Cannabis sativa and including derivatives or subspecies,
12 such as indica, of all strains of cannabis; including raw kief,
13 leaves, and buds, but not resin that has been extracted from
14 any part of such plant; nor any compound, manufacture, salt,
15 derivative, mixture, or preparation of such plant, its seeds,
16 or resin.

17 "Cannabis-infused product" means a beverage, food, oil,
18 ointment, tincture, topical formulation, or another product
19 containing cannabis that is not intended to be smoked.

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 Department of State Police for

1 the purposes of documenting each cannabis plant and monitoring
2 plant development throughout the life cycle of a cannabis plant
3 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 is
15 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 Community College Cannabis Vocational
22 Training Pilot Program faculty participant.

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

1 each licensee stores currency and cannabis or cannabis-infused
2 products in a separate secured vault to which the other
3 licensee does not have access or all licensees sharing a vault
4 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 to
15 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 "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 purchasers
8 or to qualified registered medical cannabis patients and
9 caregivers. As used in this Act, dispensary organization shall
10 include a registered medical cannabis organization as defined
11 in the Compassionate Use of Medical Cannabis Pilot Program Act
12 or its successor Act that has obtained an Early Approval Adult
13 Use Dispensing Organization License.

14 "Dispensing organization agent" means a principal officer,
15 employee, or agent of a dispensing organization who is 21 years
16 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 Cannabis
22 Pilot Program Act as of the effective date of this Act to begin
23 cultivating, infusing, packaging, transporting (unless
24 otherwise provided in this Act), and selling cannabis to
25 cannabis business establishments for resale to purchasers as
26 permitted by this Act as of January 1, 2020.

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

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

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

21 "Enclosed, locked space" means a closet, room, greenhouse,
22 building or other enclosed area equipped with locks or other
23 security devices that permit access only by authorized
24 individuals under this Act. "Enclosed, locked space" may
25 include:

26 (1) a space within a residential building that (i) is

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

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

14 "Financial institution" has the same meaning as "financial
15 organization" as defined in Section 1501 of the Illinois Income
16 Tax Act, and also includes the holding companies, subsidiaries,
17 and affiliates of such financial organizations.

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

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

23 (2) if the cannabis plant is in an area that has been
24 intentionally deprived of light for a period of time
25 intended to produce flower buds and induce maturation, from
26 the moment the light deprivation began through the

1 remainder of the marijuana plant growth cycle.

2 "Individual" means a natural person.

3 "Infuser organization" or "infuser" means a facility
4 operated by an organization or business that is licensed by the
5 Department of Agriculture to directly incorporate cannabis or
6 cannabis concentrate into a product formulation to produce a
7 cannabis-infused product.

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

12 "Labor peace agreement" means an agreement between a
13 cannabis business establishment and any labor organization
14 recognized under the National Labor Relations Act, referred to
15 in this Act as a bona fide labor organization, that prohibits
16 labor organizations and members from engaging in picketing,
17 work stoppages, boycotts, and any other economic interference
18 with the cannabis business establishment. This agreement means
19 that the cannabis business establishment has agreed not to
20 disrupt efforts by the bona fide labor organization to
21 communicate with, and attempt to organize and represent, the
22 cannabis business establishment's employees. The agreement
23 shall provide a bona fide labor organization access at
24 reasonable times to areas in which the cannabis business
25 establishment's employees work, for the purpose of meeting with
26 employees to discuss their right to representation, employment

1 rights under State law, and terms and conditions of employment.
2 This type of agreement shall not mandate a particular method of
3 election or certification of the bona fide labor organization.

4 "Limited access area" means a building, room, or other area
5 under the control of a cannabis dispensing organization
6 licensed under this Act and upon the licensed premises with
7 access limited to purchasers, dispensing organization owners
8 and other dispensing organization agents, or service
9 professionals conducting business with the dispensing
10 organization.

11 "Member of an impacted family" means an individual who has
12 a parent, legal guardian, child, spouse, or dependent, or was a
13 dependent of an individual who, prior to the effective date of
14 this Act, was arrested for, convicted of, or adjudicated
15 delinquent for any offense that is eligible for expungement
16 under this Act.

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

21 "Ordinary public view" means within the sight line with
22 normal visual range of a person, unassisted by visual aids,
23 from a public street or sidewalk adjacent to real property, or
24 from within an adjacent property.

25 "Ownership and control" means ownership of at least 51% of
26 the business, including corporate stock if a corporation, and

1 control over the management and day-to-day operations of the
2 business and an interest in the capital, assets, and profits
3 and losses of the business proportionate to percentage of
4 ownership.

5 "Person" means a natural individual, firm, partnership,
6 association, joint stock company, joint venture, public or
7 private corporation, limited liability company, or a receiver,
8 executor, trustee, guardian, or other representative appointed
9 by order of any court.

10 "Possession limit" means the amount of cannabis under
11 Section 10-10 that may be possessed at any one time by a person
12 21 years of age or older or who is a registered qualifying
13 medical cannabis patient or caregiver under the Compassionate
14 Use of Medical Cannabis Pilot Program Act.

15 "Principal officer" includes a cannabis business
16 establishment applicant or licensed cannabis business
17 establishment's board member, owner with more than 1% interest
18 of the total cannabis business establishment or more than 5%
19 interest of the total cannabis business establishment of a
20 publicly traded company, president, vice president, secretary,
21 treasurer, partner, officer, member, manager member, or person
22 with a profit sharing, financial interest, or revenue sharing
23 arrangement. The definition includes a person with authority to
24 control the cannabis business establishment, a person who
25 assumes responsibility for the debts of the cannabis business
26 establishment and who is further defined in this Act.

1 "Primary residence" means a dwelling where a person usually
2 stays or stays more often than other locations. It may be
3 determined by, without limitation, presence, tax filings;
4 address on an Illinois driver's license, an Illinois
5 Identification Card, or an Illinois Person with a Disability
6 Identification Card; or voter registration. No person may have
7 more than one primary residence.

8 "Processing organization" or "processor" means a facility
9 operated by an organization or business that is licensed by the
10 Department of Agriculture to either extract constituent
11 chemicals or compounds to produce cannabis concentrate or
12 incorporate cannabis or cannabis concentrate into a product
13 formulation to produce a cannabis product.

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

16 "Processing organization agent identification card" means
17 a document issued by the Department of Agriculture that
18 identifies a person as a processing organization agent.

19 "Purchaser" means a person 21 years of age or older who
20 acquires cannabis for a valuable consideration. "Purchaser"
21 does not include a cardholder under the Compassionate Use of
22 Medical Cannabis Pilot Program Act.

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

26 "Resided" means an individual's primary residence was

1 located within the relevant geographic area as established by 2
2 of the following:

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

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

6 (3) school records;

7 (4) a voter registration card;

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

11 (6) a paycheck stub;

12 (7) a utility bill; or

13 (8) 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 an
11 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 "Tincture" means a cannabis-infused solution, typically
18 comprised of alcohol, glycerin, or vegetable oils, derived
19 either directly from the cannabis plant or from a processed
20 cannabis extract. A tincture is not an alcoholic liquor as
21 defined in the Liquor Control Act of 1934. A tincture shall
22 include a calibrated dropper or other similar device capable of
23 accurately measuring servings.

24 "Transporting organization" or "transporter" means an
25 organization or business that is licensed by the Department of
26 Agriculture to transport cannabis on behalf of a cannabis

1 business establishment or a community college licensed under
2 the Community College Cannabis Vocational Training Pilot
3 Program.

4 "Transporting organization agent" means a principal
5 officer, board member, employee, or agent of a transporting
6 organization.

7 "Transporting organization agent identification card"
8 means a document issued by the Department of Agriculture that
9 identifies a person as a transporting organization agent.

10 "Unit of local government" means any county, city, village,
11 or incorporated town.

12 "Vegetative stage" means the stage of cultivation in which
13 a cannabis plant is propagated to produce additional cannabis
14 plants or reach a sufficient size for production. This includes
15 seedlings, clones, mothers, and other immature cannabis plants
16 as follows:

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

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

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ARTICLE 5.

1

AUTHORITY

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Section 5-5. Sharing of authority. Notwithstanding any provision or law to the contrary, any authority granted to any State agency or State employees or appointees under the Compassionate Use of Medical Cannabis Pilot Program Act shall be shared by any State agency or State employees or appointees given authority to license, discipline, revoke, regulate, or make rules under this Act.

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Section 5-10. Department of Agriculture. The Department of Agriculture shall administer and enforce provisions of this Act relating to the oversight and registration of cultivation centers, craft growers, infuser organizations, and transporting organizations and agents, including the issuance of identification cards and establishing limits on potency or serving size for cannabis or cannabis products. The Department of Agriculture may suspend or revoke the license of, or impose other penalties upon cultivation centers, craft growers, infuser organizations, transporting organizations, and their principal officers, Agents-in-Charge, and agents for violations of this Act and any rules adopted under this Act.

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Section 5-15. Department of Financial and Professional Regulation. The Department of Financial and Professional Regulation shall enforce the provisions of this Act relating to

1 the oversight and registration of dispensing organizations and
2 agents, including the issuance of identification cards for
3 dispensing organization agents. The Department of Financial
4 and Professional Regulation may suspend or revoke the license
5 of, or impose other penalties upon, dispensing organizations
6 for violations of this Act and any rules adopted under this
7 Act.

8 Section 5-20. Background checks.

9 (a) Through the Department of State Police, the licensing
10 or issuing Department shall conduct a criminal history record
11 check of the prospective principal officers, board members, and
12 agents of a cannabis business establishment applying for a
13 license or identification card under this Act.

14 Each cannabis business establishment prospective principal
15 officer, board member, or agent shall submit his or her
16 fingerprints to the Department of State Police in the form and
17 manner prescribed by the Department of State Police.

18 Such fingerprints shall be transmitted through a live scan
19 fingerprint vendor licensed by the Department of Financial and
20 Professional Regulation. These fingerprints shall be checked
21 against the fingerprint records now and hereafter filed in the
22 Department of State Police and Federal Bureau of Investigation
23 criminal history records databases. The Department of State
24 Police shall charge a fee for conducting the criminal history
25 record check, which shall be deposited into the State Police

1 Services Fund and shall not exceed the actual cost of the State
2 and national criminal history record check. The Department of
3 State Police shall furnish, pursuant to positive
4 identification, all Illinois conviction information and shall
5 forward the national criminal history record information to:

6 (i) the Department of Agriculture, with respect to a
7 cultivation center, craft grower, infuser organization, or
8 transporting organization; or

9 (ii) the Department of Financial and Professional
10 Regulation, with respect to a dispensing organization.

11 (b) When applying for the initial license or identification
12 card, the background checks for all prospective principal
13 officers, board members, and agents shall be completed before
14 submitting the application to the licensing or issuing agency.

15 (c) All applications for licensure under this Act by
16 applicants with criminal convictions shall be subject to
17 Sections 2105-131, 2105-135, and 2105-205 of the Department of
18 Professional Regulation Law of the Civil Administrative Code of
19 Illinois.

20 Section 5-25. Department of Public Health to make health
21 warning recommendations.

22 (a) The Department of Public Health shall make
23 recommendations to the Department of Agriculture and the
24 Department of Financial and Professional Regulation on
25 appropriate health warnings for dispensaries and advertising,

1 which may apply to all cannabis products, including item-type
2 specific labeling or warning requirements, regulate the
3 facility where cannabis-infused products are made, regulate
4 cannabis-infused products as provided in subsection (e) of
5 Section 55-5, and facilitate the Adult Use Cannabis Health
6 Advisory Committee.

7 (b) An Adult Use Cannabis Health Advisory Committee is
8 hereby created and shall meet at least twice annually. The
9 Chairperson may schedule meetings more frequently upon his or
10 her initiative or upon the request of a Committee member.
11 Meetings may be held in person or by teleconference. The
12 Committee shall discuss and monitor changes in drug use data in
13 Illinois and the emerging science and medical information
14 relevant to the health effects associated with cannabis use and
15 may provide recommendations to the Department of Human Services
16 about public health awareness campaigns and messages. The
17 Committee shall include the following members appointed by the
18 Governor and shall represent the geographic, ethnic, and racial
19 diversity of the State:

20 (1) The Director of Public Health, or his or her
21 designee, who shall serve as the Chairperson.

22 (2) The Secretary of Human Services, or his or her
23 designee, who shall serve as the Co-Chairperson.

24 (3) A representative of the poison control center.

25 (4) A pharmacologist.

26 (5) A pulmonologist.

- 1 (6) An emergency room physician.
- 2 (7) An emergency medical technician, paramedic, or
3 other first responder.
- 4 (8) A nurse practicing in a school-based setting.
- 5 (9) A psychologist.
- 6 (10) A neonatologist.
- 7 (11) An obstetrician-gynecologist.
- 8 (12) A drug epidemiologist.
- 9 (13) A medical toxicologist.
- 10 (14) An addiction psychiatrist.
- 11 (15) A pediatrician.
- 12 (16) A representative of a statewide professional
13 public health organization.
- 14 (17) A representative of a statewide hospital/health
15 system association.
- 16 (18) An individual registered as a patient in the
17 Compassionate Use of Medical Cannabis Pilot Program.
- 18 (19) An individual registered as a caregiver in the
19 Compassionate Use of Medical Cannabis Pilot Program.
- 20 (20) A representative of an organization focusing on
21 cannabis-related policy.
- 22 (21) A representative of an organization focusing on
23 the civil liberties of individuals who reside in Illinois.
- 24 (22) A representative of the criminal defense or civil
25 aid community of attorneys serving Disproportionately
26 Impacted Areas.

1 (23) A representative of licensed cannabis business
2 establishments.

3 (24) A Social Equity Applicant.

4 (c) The Committee shall provide a report by September 30,
5 2021, and every year thereafter, to the General Assembly. The
6 Department of Public Health shall make the report available on
7 its website.

8 Section 5-30. Department of Human Services. The Department
9 of Human Services shall identify evidence-based programs for
10 preventive mental health, the prevention or treatment of
11 alcohol abuse, tobacco use, illegal drug use (including
12 prescription drugs), and cannabis use by pregnant women, and
13 make policy recommendations, as appropriate, to the Adult Use
14 Cannabis Health Advisory Committee. The Department of Human
15 Services shall develop and disseminate educational materials
16 for purchasers based on recommendations received from the
17 Department of Public Health and the Adult Use Cannabis Health
18 Advisory Committee.

19 Section 5-45. Illinois Cannabis Regulation Oversight
20 Officer.

21 (a) The position of Illinois Cannabis Regulation Oversight
22 Officer is created within the Department of Financial and
23 Professional Regulation under the Secretary of Financial and
24 Professional Regulation. The Illinois Cannabis Regulation

1 Oversight Officer shall be appointed by the Governor with the
2 advice and consent of the Senate. The term of office of the
3 Officer shall expire on the third Monday of January in
4 odd-numbered years provided that he or she shall hold office
5 until a successor is appointed and qualified. In case of
6 vacancy in office during the recess of the Senate, the Governor
7 shall make a temporary appointment until the next meeting of
8 the Senate, when the Governor shall nominate some person to
9 fill the office, and any person so nominated who is confirmed
10 by the Senate shall hold office during the remainder of the
11 term and until his or her successor is appointed and qualified.

12 (b) The Illinois Cannabis Regulation Oversight Officer
13 may:

14 (1) maintain a staff;

15 (2) make recommendations for policy, statute, and rule
16 changes;

17 (3) collect data both in Illinois and outside Illinois
18 regarding the regulation of cannabis;

19 (4) compile or assist in the compilation of any reports
20 required by this Act;

21 (5) ensure the coordination of efforts between various
22 State agencies involved in regulating and taxing the sale
23 of cannabis in Illinois; and

24 (6) encourage, promote, suggest, and report best
25 practices for ensuring diversity in the cannabis industry
26 in Illinois.

1 (c) The Illinois Cannabis Regulation Oversight Officer
2 shall not:

3 (1) participate in the issuance of any business
4 licensing or the making of awards; or

5 (2) participate in any adjudicative decision-making
6 process involving licensing or licensee discipline.

7 (d) Any funding required for the Illinois Cannabis
8 Regulation Oversight Officer, its staff, or its activities
9 shall be drawn from the Cannabis Regulation Fund.

10 (e) The Illinois Cannabis Regulation Oversight Officer
11 shall commission and publish a disparity and availability study
12 by March 1, 2021 that: (1) evaluates whether there exists
13 discrimination in the State's cannabis industry; and (2) if so,
14 evaluates the impact of such discrimination on the State and
15 includes recommendations to the Department of Financial and
16 Professional Regulation and the Department of Agriculture for
17 reducing or eliminating any identified barriers to entry in the
18 cannabis market. The Illinois Cannabis Regulation Oversight
19 Officer shall forward a copy of its findings and
20 recommendations to the Department of Financial and
21 Professional Regulation, the Department of Agriculture, the
22 Department of Commerce and Economic Opportunity, the General
23 Assembly, and the Governor.

24 (f) The Illinois Cannabis Regulation Oversight Officer may
25 compile, collect, or otherwise gather data necessary for the
26 administration of this Act and to carry out the Officer's duty

1 relating to the recommendation of policy changes. The Illinois
2 Cannabis Regulation Oversight Officer may direct the
3 Department of Agriculture, Department of Financial and
4 Professional Regulation, Department of Public Health,
5 Department of Human Services, and Department of Commerce and
6 Economic Opportunity to assist in the compilation, collection,
7 and data gathering authorized pursuant to this subsection. The
8 Illinois Cannabis Regulation Oversight Officer shall compile
9 all of the data into a single report and submit the report to
10 the Governor and the General Assembly and publish the report on
11 its website.

12 ARTICLE 7.

13 SOCIAL EQUITY IN THE CANNABIS INDUSTRY

14 Section 7-1. Findings.

15 (a) The General Assembly finds that the medical cannabis
16 industry, established in 2014 through the Compassionate Use of
17 Medical Cannabis Pilot Program Act, has shown that additional
18 efforts are needed to reduce barriers to ownership. Through
19 that program, 55 licenses for dispensing organizations and 20
20 licenses for cultivation centers have been issued. Those
21 licenses are held by only a small number of businesses, the
22 ownership of which does not sufficiently meet the General
23 Assembly's interest in business ownership that reflects the
24 population of the State of Illinois and that demonstrates the

1 need to reduce barriers to entry for individuals and
2 communities most adversely impacted by the enforcement of
3 cannabis-related laws.

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

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

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

20 (e) Furthermore, the General Assembly finds and declares
21 that certain communities have disproportionately suffered the
22 harms of enforcement of cannabis-related laws. Those
23 communities face greater difficulties accessing traditional
24 banking systems and capital for establishing businesses.

25 (f) The General Assembly also finds that individuals who
26 have resided in areas of high poverty suffer negative

1 consequences, including barriers to entry in employment,
2 business ownership, housing, health, and long-term financial
3 well-being.

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

8 (h) Therefore, in the interest of remedying the harms
9 resulting from the disproportionate enforcement of
10 cannabis-related laws, the General Assembly finds and declares
11 that a social equity program should offer, among other things,
12 financial assistance and license application benefits to
13 individuals most directly and adversely impacted by the
14 enforcement of cannabis-related laws who are interested in
15 starting cannabis business establishments.

16 Section 7-10. Cannabis Business Development Fund.

17 (a) There is created in the State treasury a special fund,
18 which shall be held separate and apart from all other State
19 moneys, to be known as the Cannabis Business Development Fund.
20 The Cannabis Business Development Fund shall be exclusively
21 used for the following purposes:

22 (1) to provide low-interest rate loans to Social Equity
23 Applicants to pay for ordinary and necessary expenses to
24 start and operate a cannabis business establishment
25 permitted by this Act;

1 (2) to provide grants to Qualified Social Equity
2 Applicants to pay for ordinary and necessary expenses to
3 start and operate a cannabis business establishment
4 permitted by this Act;

5 (3) to compensate the Department of Commerce and
6 Economic Opportunity for any costs related to the provision
7 of low-interest loans and grants to Qualified Social Equity
8 Applicants;

9 (4) to pay for outreach that may be provided or
10 targeted to attract and support Social Equity Applicants;

11 (5) (blank);

12 (6) to conduct any study or research concerning the
13 participation of minorities, women, veterans, or people
14 with disabilities in the cannabis industry, including,
15 without limitation, barriers to such individuals entering
16 the industry as equity owners of cannabis business
17 establishments;

18 (7) (blank); and

19 (8) to assist with job training and technical
20 assistance for residents in Disproportionately Impacted
21 Areas.

22 (b) All moneys collected under Sections 15-15 and 15-20 for
23 Early Approval Adult Use Dispensing Organization Licenses
24 issued before January 1, 2021 and remunerations made as a
25 result of transfers of permits awarded to Qualified Social
26 Equity Applicants shall be deposited into the Cannabis Business

1 Development Fund.

2 (c) As soon as practical after July 1, 2019, the
3 Comptroller shall order and the Treasurer shall transfer
4 \$12,000,000 from the Compassionate Use of Medical Cannabis Fund
5 to the Cannabis Business Development Fund.

6 (d) Notwithstanding any other law to the contrary, the
7 Cannabis Business Development Fund is not subject to sweeps,
8 administrative charge-backs, or any other fiscal or budgetary
9 maneuver that would in any way transfer any amounts from the
10 Cannabis Business Development Fund into any other fund of the
11 State.

12 Section 7-15. Loans and grants to Social Equity Applicants.

13 (a) The Department of Commerce and Economic Opportunity
14 shall establish grant and loan programs, subject to
15 appropriations from the Cannabis Business Development Fund,
16 for the purposes of providing financial assistance, loans,
17 grants, and technical assistance to Social Equity Applicants.

18 (b) The Department of Commerce and Economic Opportunity has
19 the power to:

20 (1) provide Cannabis Social Equity loans and grants
21 from appropriations from the Cannabis Business Development
22 Fund to assist Social Equity Applicants in gaining entry
23 to, and successfully operating in, the State's regulated
24 cannabis marketplace;

25 (2) enter into agreements that set forth terms and

1 conditions of the financial assistance, accept funds or
2 grants, and engage in cooperation with private entities and
3 agencies of State or local government to carry out the
4 purposes of this Section;

5 (3) fix, determine, charge, and collect any premiums,
6 fees, charges, costs and expenses, including application
7 fees, commitment fees, program fees, financing charges, or
8 publication fees in connection with its activities under
9 this Section;

10 (4) coordinate assistance under these loan programs
11 with activities of the Illinois Department of Financial and
12 Professional Regulation, the Illinois Department of
13 Agriculture, and other agencies as needed to maximize the
14 effectiveness and efficiency of this Act;

15 (5) provide staff, administration, and related support
16 required to administer this Section;

17 (6) take whatever actions are necessary or appropriate
18 to protect the State's interest in the event of bankruptcy,
19 default, foreclosure, or noncompliance with the terms and
20 conditions of financial assistance provided under this
21 Section, including the ability to recapture funds if the
22 recipient is found to be noncompliant with the terms and
23 conditions of the financial assistance agreement;

24 (7) establish application, notification, contract, and
25 other forms, procedures, or rules deemed necessary and
26 appropriate; and

1 (8) utilize vendors or contract work to carry out the
2 purposes of this Act.

3 (c) Loans made under this Section:

4 (1) shall only be made if, in the Department's
5 judgment, the project furthers the goals set forth in this
6 Act; and

7 (2) shall be in such principal amount and form and
8 contain such terms and provisions with respect to security,
9 insurance, reporting, delinquency charges, default
10 remedies, and other matters as the Department shall
11 determine appropriate to protect the public interest and to
12 be consistent with the purposes of this Section. The terms
13 and provisions may be less than required for similar loans
14 not covered by this Section.

15 (d) Grants made under this Section shall be awarded on a
16 competitive and annual basis under the Grant Accountability and
17 Transparency Act. Grants made under this Section shall further
18 and promote the goals of this Act, including promotion of
19 Social Equity Applicants, job training and workforce
20 development, and technical assistance to Social Equity
21 Applicants.

22 (e) Beginning January 1, 2021 and each year thereafter, the
23 Department shall annually report to the Governor and the
24 General Assembly on the outcomes and effectiveness of this
25 Section that shall include the following:

26 (1) the number of persons or businesses receiving

1 financial assistance under this Section;

2 (2) the amount in financial assistance awarded in the
3 aggregate, in addition to the amount of loans made that are
4 outstanding and the amount of grants awarded;

5 (3) the location of the project engaged in by the
6 person or business; and

7 (4) if applicable, the number of new jobs and other
8 forms of economic output created as a result of the
9 financial assistance.

10 (f) The Department of Commerce and Economic Opportunity
11 shall include engagement with individuals with limited English
12 proficiency as part of its outreach provided or targeted to
13 attract and support Social Equity Applicants.

14 Section 7-20. Fee waivers.

15 (a) For Social Equity Applicants, the Department of
16 Financial and Professional Regulation and the Department of
17 Agriculture shall waive 50% of any nonrefundable license
18 application fees, any nonrefundable fees associated with
19 purchasing a license to operate a cannabis business
20 establishment, and any surety bond or other financial
21 requirements, provided a Social Equity Applicant meets the
22 following qualifications at the time the payment is due:

23 (1) the applicant, including all individuals and
24 entities with 10% or greater ownership and all parent
25 companies, subsidiaries, and affiliates, has less than a

1 total of \$750,000 of income in the previous calendar year;
2 and

3 (2) the applicant, including all individuals and
4 entities with 10% or greater ownership and all parent
5 companies, subsidiaries, and affiliates, has no more than 2
6 other licenses for cannabis business establishments in the
7 State of Illinois.

8 (b) The Department of Financial and Professional
9 Regulation and the Department of Agriculture may require Social
10 Equity Applicants to attest that they meet the requirements for
11 a fee waiver as provided in subsection (a) and to provide
12 evidence of annual total income in the previous calendar year.

13 (c) If the Department of Financial and Professional
14 Regulation or the Department of Agriculture determines that an
15 applicant who applied as a Social Equity Applicant is not
16 eligible for such status, the applicant shall be provided an
17 additional 10 days to provide alternative evidence that he or
18 she qualifies as a Social Equity Applicant. Alternatively, the
19 applicant may pay the remainder of the waived fee and be
20 considered as a non-Social Equity Applicant. If the applicant
21 cannot do either, then the Departments may keep the initial
22 application fee and the application shall not be graded.

23 Section 7-25. Transfer of license awarded to Social Equity
24 Applicant.

25 (a) In the event a Social Equity Applicant seeks to

1 transfer, sell, or grant a cannabis business establishment
2 license within 5 years after it was issued to a person or
3 entity that does not qualify as a Social Equity Applicant, the
4 transfer agreement shall require the new license holder to pay
5 the Cannabis Business Development Fund an amount equal to:

6 (1) any fees that were waived by any State agency based
7 on the applicant's status as a Social Equity Applicant, if
8 applicable;

9 (2) any outstanding amount owed by the Qualified Social
10 Equity Applicant for a loan through the Cannabis Business
11 Development Fund, if applicable; and

12 (3) the full amount of any grants that the Qualified
13 Social Equity Applicant received from the Department of
14 Commerce and Economic Opportunity, if applicable.

15 (b) Transfers of cannabis business establishment licenses
16 awarded to a Social Equity Applicant are subject to all other
17 provisions of this Act, the Compassionate Use of Medical
18 Cannabis Pilot Program Act, and rules regarding transfers.

19 Section 7-30. Reporting. By January 1, 2021, and on January
20 1 of every year thereafter, or upon request by the Illinois
21 Cannabis Regulation Oversight Officer, each cannabis business
22 establishment licensed under this Act shall report to the
23 Illinois Cannabis Regulation Oversight Officer, on a form to be
24 provided by the Illinois Cannabis Regulation Oversight
25 Officer, information that will allow it to assess the extent of

1 diversity in the medical and adult use cannabis industry and
2 methods for reducing or eliminating any identified barriers to
3 entry, including access to capital. The information to be
4 collected shall be designed to identify the following:

5 (1) the number and percentage of licenses provided to
6 Social Equity Applicants and to businesses owned by
7 minorities, women, veterans, and people with disabilities;

8 (2) the total number and percentage of employees in the
9 cannabis industry who meet the criteria in (3)(i) or
10 (3)(ii) in the definition of Social Equity Applicant or who
11 are minorities, women, veterans, or people with
12 disabilities;

13 (3) the total number and percentage of contractors and
14 subcontractors in the cannabis industry that meet the
15 definition of a Social Equity Applicant or who are owned by
16 minorities, women, veterans, or people with disabilities,
17 if known to the cannabis business establishment; and

18 (4) recommendations on reducing or eliminating any
19 identified barriers to entry, including access to capital,
20 in the cannabis industry.

21 ARTICLE 10.

22 PERSONAL USE OF CANNABIS

23 Section 10-5. Personal use of cannabis; restrictions on
24 cultivation; penalties.

1 (a) Beginning January 1, 2020, notwithstanding any other
2 provision of law, and except as otherwise provided in this Act,
3 the following acts are not a violation of this Act and shall
4 not be a criminal or civil offense under State law or the
5 ordinances of any unit of local government of this State or be
6 a basis for seizure or forfeiture of assets under State law for
7 persons other than natural individuals under 21 years of age:

8 (1) possession, consumption, use, purchase, obtaining,
9 or transporting an amount of cannabis for personal use that
10 does not exceed the possession limit under Section 10-10 or
11 otherwise in accordance with the requirements of this Act;

12 (2) cultivation of cannabis for personal use in
13 accordance with the requirements of this Act; and

14 (3) controlling property if actions that are
15 authorized by this Act occur on the property in accordance
16 with this Act.

17 (a-1) Beginning January 1, 2020, notwithstanding any other
18 provision of law, and except as otherwise provided in this Act,
19 possessing, consuming, using, purchasing, obtaining, or
20 transporting an amount of cannabis purchased or produced in
21 accordance with this Act that does not exceed the possession
22 limit under subsection (a) of Section 10-10 shall not be a
23 basis for seizure or forfeiture of assets under State law.

24 (b) Cultivating cannabis for personal use is subject to the
25 following limitations:

26 (1) An Illinois resident 21 years of age or older who

1 is a registered qualifying patient under the Compassionate
2 Use of Medical Cannabis Pilot Program Act may cultivate
3 cannabis plants, with a limit of 5 plants that are more
4 than 5 inches tall, per household without a cultivation
5 center or craft grower license. In this Section, "resident"
6 means a person who has been domiciled in the State of
7 Illinois for a period of 30 days before cultivation.

8 (2) Cannabis cultivation must take place in an
9 enclosed, locked space.

10 (3) Adult registered qualifying patients may purchase
11 cannabis seeds from a dispensary for the purpose of home
12 cultivation. Seeds may not be given or sold to any other
13 person.

14 (4) Cannabis plants shall not be stored or placed in a
15 location where they are subject to ordinary public view, as
16 defined in this Act. A registered qualifying patient who
17 cultivates cannabis under this Section shall take
18 reasonable precautions to ensure the plants are secure from
19 unauthorized access, including unauthorized access by a
20 person under 21 years of age.

21 (5) Cannabis cultivation may occur only on residential
22 property lawfully in possession of the cultivator or with
23 the consent of the person in lawful possession of the
24 property. An owner or lessor of residential property may
25 prohibit the cultivation of cannabis by a lessee.

26 (6) (Blank).

1 (7) A dwelling, residence, apartment, condominium
2 unit, enclosed, locked space, or piece of property not
3 divided into multiple dwelling units shall not contain more
4 than 5 plants at any one time.

5 (8) Cannabis plants may only be tended by registered
6 qualifying patients who reside at the residence, or their
7 authorized agent attending to the residence for brief
8 periods, such as when the qualifying patient is temporarily
9 away from the residence.

10 (9) A registered qualifying patient who cultivates
11 more than the allowable number of cannabis plants, or who
12 sells or gives away cannabis plants, cannabis, or
13 cannabis-infused products produced under this Section, is
14 liable for penalties as provided by law, including the
15 Cannabis Control Act, in addition to loss of home
16 cultivation privileges as established by rule.

17 Section 10-10. Possession limit.

18 (a) Except if otherwise authorized by this Act, for a
19 person who is 21 years of age or older and a resident of this
20 State, the possession limit is as follows:

21 (1) 30 grams of cannabis flower;

22 (2) no more than 500 milligrams of THC contained in
23 cannabis-infused product;

24 (3) 5 grams of cannabis concentrate; and

25 (4) for registered qualifying patients, any cannabis

1 produced by cannabis plants grown under subsection (b) of
2 Section 10-5, provided any amount of cannabis produced in
3 excess of 30 grams of raw cannabis or its equivalent must
4 remain secured within the residence or residential
5 property in which it was grown.

6 (b) For a person who is 21 years of age or older and who is
7 not a resident of this State, the possession limit is:

8 (1) 15 grams of cannabis flower;

9 (2) 2.5 grams of cannabis concentrate; and

10 (3) 250 milligrams of THC contained in a
11 cannabis-infused product.

12 (c) The possession limits found in subsections (a) and (b)
13 of this Section are to be considered cumulative.

14 (d) No person shall knowingly obtain, seek to obtain, or
15 possess an amount of cannabis from a dispensing organization or
16 craft grower that would cause him or her to exceed the
17 possession limit under this Section, including cannabis that is
18 cultivated by a person under this Act or obtained under the
19 Compassionate Use of Medical Cannabis Pilot Program Act.

20 Section 10-15. Persons under 21 years of age.

21 (a) Nothing in this Act is intended to permit the transfer
22 of cannabis, with or without remuneration, to a person under 21
23 years of age, or to allow a person under 21 years of age to
24 purchase, possess, use, process, transport, grow, or consume
25 cannabis except where authorized by the Compassionate Use of

1 Medical Cannabis Pilot Program Act or by the Community College
2 Cannabis Vocational Pilot Program.

3 (b) Notwithstanding any other provisions of law
4 authorizing the possession of medical cannabis, nothing in this
5 Act authorizes a person who is under 21 years of age to possess
6 cannabis. A person under 21 years of age with cannabis in his
7 or her possession is guilty of a civil law violation as
8 outlined in paragraph (a) of Section 4 of the Cannabis Control
9 Act.

10 (c) If the person under the age of 21 was in a motor
11 vehicle at the time of the offense, the Secretary of State may
12 suspend or revoke the driving privileges of any person for a
13 violation of this Section under Section 6-206 of the Illinois
14 Vehicle Code and the rules adopted under it.

15 (d) It is unlawful for any parent or guardian to knowingly
16 permit his or her residence, any other private property under
17 his or her control, or any vehicle, conveyance, or watercraft
18 under his or her control to be used by an invitee of the
19 parent's child or the guardian's ward, if the invitee is under
20 the age of 21, in a manner that constitutes a violation of this
21 Section. A parent or guardian is deemed to have knowingly
22 permitted his or her residence, any other private property
23 under his or her control, or any vehicle, conveyance, or
24 watercraft under his or her control to be used in violation of
25 this Section if he or she knowingly authorizes or permits
26 consumption of cannabis by underage invitees. Any person who

1 violates this subsection (d) is guilty of a Class A misdemeanor
2 and the person's sentence shall include, but shall not be
3 limited to, a fine of not less than \$500. If a violation of
4 this subsection (d) directly or indirectly results in great
5 bodily harm or death to any person, the person violating this
6 subsection is guilty of a Class 4 felony. In this subsection
7 (d), where the residence or other property has an owner and a
8 tenant or lessee, the trier of fact may infer that the
9 residence or other property is occupied only by the tenant or
10 lessee.

11 Section 10-20. Identification; false identification;
12 penalty.

13 (a) To protect personal privacy, the Department of
14 Financial and Professional Regulation shall not require a
15 purchaser to provide a dispensing organization with personal
16 information other than government-issued identification to
17 determine the purchaser's age, and a dispensing organization
18 shall not obtain and record personal information about a
19 purchaser without the purchaser's consent. A dispensing
20 organization shall use an electronic reader or electronic
21 scanning device to scan a purchaser's government-issued
22 identification, if applicable, to determine the purchaser's
23 age and the validity of the identification. Any identifying or
24 personal information of a purchaser obtained or received in
25 accordance with this Section shall not be retained, used,

1 shared or disclosed for any purpose except as authorized by
2 this Act.

3 (b) A person who is under 21 years of age may not present
4 or offer to a cannabis business establishment or the cannabis
5 business establishment's principal or employee any written or
6 oral evidence of age that is false, fraudulent, or not actually
7 the person's own, for the purpose of:

8 (1) purchasing, attempting to purchase, or otherwise
9 obtaining or attempting to obtain cannabis or any cannabis
10 product; or

11 (2) gaining access to a cannabis business
12 establishment.

13 (c) A violation of this Section is a Class A misdemeanor
14 consistent with Section 6-20 of the Liquor Control Act of 1934.

15 (d) The Secretary of State may suspend or revoke the
16 driving privileges of any person for a violation of this
17 Section under Section 6-206 of the Illinois Vehicle Code and
18 the rules adopted under it.

19 (e) No agent or employee of the licensee shall be
20 disciplined or discharged for selling or furnishing cannabis or
21 cannabis products to a person under 21 years of age if the
22 agent or employee demanded and was shown, before furnishing
23 cannabis or cannabis products to a person under 21 years of
24 age, adequate written evidence of age and identity of the
25 person. This subsection (e) does not apply if the agent or
26 employee accepted the written evidence knowing it to be false

1 or fraudulent. Adequate written evidence of age and identity of
2 the person is a document issued by a federal, State, county, or
3 municipal government, or subdivision or agency thereof,
4 including, but not limited to, a motor vehicle operator's
5 license, a registration certificate issued under the Military
6 Selective Service Act, or an identification card issued to a
7 member of the Armed Forces. Proof that the licensee or his or
8 her employee or agent was shown and reasonably relied upon such
9 written evidence in any transaction forbidden by this Section
10 is an affirmative defense in any criminal prosecution therefor
11 or to any proceedings for the suspension or revocation of any
12 license based thereon.

13 Section 10-25. Immunities and presumptions related to the
14 use of cannabis by purchasers.

15 (a) A purchaser who is 21 years of age or older is not
16 subject to arrest, prosecution, denial of any right or
17 privilege, or other punishment including, but not limited to,
18 any civil penalty or disciplinary action taken by an
19 occupational or professional licensing board, based solely on
20 the use of cannabis if (1) the purchaser possesses an amount of
21 cannabis that does not exceed the possession limit under
22 Section 10-10 and, if the purchaser is licensed, certified, or
23 registered to practice any trade or profession under any Act
24 and (2) the use of cannabis does not impair that person when he
25 or she is engaged in the practice of the profession for which

1 he or she is licensed, certified, or registered.

2 (b) A purchaser 21 years of age or older is not subject to
3 arrest, prosecution, denial of any right or privilege, or other
4 punishment, including, but not limited to, any civil penalty or
5 disciplinary action taken by an occupational or professional
6 licensing board, based solely for (i) selling cannabis
7 paraphernalia if employed and licensed as a dispensing agent by
8 a dispensing organization or (ii) being in the presence or
9 vicinity of the use of cannabis as allowed under this Act.

10 (c) Mere possession of, or application for, an agent
11 identification card or license does not constitute probable
12 cause or reasonable suspicion to believe that a crime has been
13 committed, nor shall it be used as the sole basis to support
14 the search of the person, property, or home of the person
15 possessing or applying for the agent identification card. The
16 possession of, or application for, an agent identification card
17 does not preclude the existence of probable cause if probable
18 cause exists based on other grounds.

19 (d) No person employed by the State of Illinois shall be
20 subject to criminal or civil penalties for taking any action in
21 good faith in reliance on this Act when acting within the scope
22 of his or her employment. Representation and indemnification
23 shall be provided to State employees as set forth in Section 2
24 of the State Employee Indemnification Act.

25 (e) No law enforcement or correctional agency, nor any
26 person employed by a law enforcement or correctional agency,

1 shall be subject to criminal or civil liability, except for
2 willful and wanton misconduct, as a result of taking any action
3 within the scope of the official duties of the agency or person
4 to prohibit or prevent the possession or use of cannabis by a
5 person incarcerated at a correctional facility, jail, or
6 municipal lockup facility, on parole or mandatory supervised
7 release, or otherwise under the lawful jurisdiction of the
8 agency or person.

9 (f) For purposes of receiving medical care, including organ
10 transplants, a person's use of cannabis under this Act does not
11 constitute the use of an illicit substance or otherwise
12 disqualify a person from medical care.

13 Section 10-30. Discrimination prohibited.

14 (a) Neither the presence of cannabinoid components or
15 metabolites in a person's bodily fluids nor possession of
16 cannabis-related paraphernalia, nor conduct related to the use
17 of cannabis or the participation in cannabis-related
18 activities lawful under this Act by a custodial or noncustodial
19 parent, grandparent, legal guardian, foster parent, or other
20 person charged with the well-being of a child, shall form the
21 sole or primary basis or supporting basis for any action or
22 proceeding by a child welfare agency or in a family or juvenile
23 court, any adverse finding, adverse evidence, or restriction of
24 any right or privilege in a proceeding related to adoption of a
25 child, acting as a foster parent of a child, or a person's

1 fitness to adopt a child or act as a foster parent of a child,
2 or serve as the basis of any adverse finding, adverse evidence,
3 or restriction of any right of privilege in a proceeding
4 related to guardianship, conservatorship, trusteeship, the
5 execution of a will, or the management of an estate, unless the
6 person's actions in relation to cannabis created an
7 unreasonable danger to the safety of the minor or otherwise
8 show the person to not be competent as established by clear and
9 convincing evidence. This subsection applies only to conduct
10 protected under this Act.

11 (b) No landlord may be penalized or denied any benefit
12 under State law for leasing to a person who uses cannabis under
13 this Act.

14 (c) Nothing in this Act may be construed to require any
15 person or establishment in lawful possession of property to
16 allow a guest, client, lessee, customer, or visitor to use
17 cannabis on or in that property.

18 Section 10-35. Limitations and penalties.

19 (a) This Act does not permit any person to engage in, and
20 does not prevent the imposition of any civil, criminal, or
21 other penalties for engaging in, any of the following conduct:

22 (1) undertaking any task under the influence of
23 cannabis when doing so would constitute negligence,
24 professional malpractice, or professional misconduct;

25 (2) possessing cannabis:

1 (A) in a school bus, unless permitted for a
2 qualifying patient or caregiver pursuant to the
3 Compassionate Use of Medical Cannabis Pilot Program
4 Act;

5 (B) on the grounds of any preschool or primary or
6 secondary school, unless permitted for a qualifying
7 patient or caregiver pursuant to the Compassionate Use
8 of Medical Cannabis Pilot Program Act;

9 (C) in any correctional facility;

10 (D) in a vehicle not open to the public unless the
11 cannabis is in a reasonably secured, sealed container
12 and reasonably inaccessible while the vehicle is
13 moving; or

14 (E) in a private residence that is used at any time
15 to provide licensed child care or other similar social
16 service care on the premises;

17 (3) using cannabis:

18 (A) in a school bus, unless permitted for a
19 qualifying patient or caregiver pursuant to the
20 Compassionate Use of Medical Cannabis Pilot Program
21 Act;

22 (B) on the grounds of any preschool or primary or
23 secondary school, unless permitted for a qualifying
24 patient or caregiver pursuant to the Compassionate Use
25 of Medical Cannabis Pilot Program Act;

26 (C) in any correctional facility;

1 (D) in any motor vehicle;

2 (E) in a private residence that is used at any time
3 to provide licensed child care or other similar social
4 service care on the premises;

5 (F) in any public place; or

6 (G) knowingly in close physical proximity to
7 anyone under 21 years of age who is not a registered
8 medical cannabis patient under the Compassionate Use
9 of Medical Cannabis Pilot Program Act;

10 (4) smoking cannabis in any place where smoking is
11 prohibited under the Smoke Free Illinois Act;

12 (5) operating, navigating, or being in actual physical
13 control of any motor vehicle, aircraft, or motorboat while
14 using or under the influence of cannabis in violation of
15 Section 11-501 or 11-502.1 of the Illinois Vehicle Code;

16 (6) facilitating the use of cannabis by any person who
17 is not allowed to use cannabis under this Act or the
18 Compassionate Use of Medical Cannabis Pilot Program Act;

19 (7) transferring cannabis to any person contrary to
20 this Act or the Compassionate Use of Medical Cannabis Pilot
21 Program Act;

22 (8) the use of cannabis by a law enforcement officer,
23 corrections officer, probation officer, or firefighter
24 while on duty; or

25 (9) the use of cannabis by a person who has a school
26 bus permit or a Commercial Driver's License while on duty.

1 As used in this Section, "public place" means any place
2 where a person could reasonably be expected to be observed by
3 others. "Public place" includes all parts of buildings owned in
4 whole or in part, or leased, by the State or a unit of local
5 government. "Public place" does not include a private residence
6 unless the private residence is used to provide licensed child
7 care, foster care, or other similar social service care on the
8 premises.

9 (b) Nothing in this Act shall be construed to prevent the
10 arrest or prosecution of a person for reckless driving or
11 driving under the influence of cannabis if probable cause
12 exists.

13 (c) Nothing in this Act shall prevent a private business
14 from restricting or prohibiting the use of cannabis on its
15 property, including areas where motor vehicles are parked.

16 (d) Nothing in this Act shall require an individual or
17 business entity to violate the provisions of federal law,
18 including colleges or universities that must abide by the
19 Drug-Free Schools and Communities Act Amendments of 1989, that
20 require campuses to be drug free.

21 Section 10-40. Restore, Reinvest, and Renew Program.

22 (a) The General Assembly finds that in order to address the
23 disparities described below, aggressive approaches and
24 targeted resources to support local design and control of
25 community-based responses to these outcomes are required. To

1 carry out this intent, the Restore, Reinvest, and Renew (R3)
2 Program is created for the following purposes:

3 (1) to directly address the impact of economic
4 disinvestment, violence, and the historical overuse of
5 criminal justice responses to community and individual
6 needs by providing resources to support local design and
7 control of community-based responses to these impacts;

8 (2) to substantially reduce both the total amount of
9 gun violence and concentrated poverty in this State;

10 (3) to protect communities from gun violence through
11 targeted investments and intervention programs, including
12 economic growth and improving family violence prevention,
13 community trauma treatment rates, gun injury victim
14 services, and public health prevention activities;

15 (4) to promote employment infrastructure and capacity
16 building related to the social determinants of health in
17 the eligible community areas.

18 (b) In this Section, "Authority" means the Illinois
19 Criminal Justice Information Authority in coordination with
20 the Justice, Equity, and Opportunity Initiative of the
21 Lieutenant Governor's Office.

22 (c) Eligibility of R3 Areas. Within 180 days after the
23 effective date of this Act, the Authority shall identify as
24 eligible, areas in this State by way of historically recognized
25 geographic boundaries, to be designated by the Restore,
26 Reinvest, and Renew Program Board as R3 Areas and therefore

1 eligible to apply for R3 funding. Local groups within R3 Areas
2 will be eligible to apply for State funding through the
3 Restore, Reinvest, and Renew Program Board. Qualifications for
4 designation as an R3 Area are as follows:

5 (1) Based on an analysis of data, communities in this
6 State that are high need, underserved, disproportionately
7 impacted by historical economic disinvestment, and ravaged
8 by violence as indicated by the highest rates of gun
9 injury, unemployment, child poverty rates, and commitments
10 to and returns from the Illinois Department of Corrections.

11 (2) The Authority shall send to the Legislative Audit
12 Commission and make publicly available its analysis and
13 identification of eligible R3 Areas and shall recalculate
14 the eligibility data every 4 years. On an annual basis, the
15 Authority shall analyze data and indicate if data covering
16 any R3 Area or portion of an Area has, for 4 consecutive
17 years, substantially deviated from the average of
18 statewide data on which the original calculation was made
19 to determine the Areas, including disinvestment, violence,
20 gun injury, unemployment, child poverty rates, or
21 commitments to or returns from the Illinois Department of
22 Corrections.

23 (d) The Restore, Reinvest, and Renew Program Board shall
24 encourage collaborative partnerships within each R3 Area to
25 minimize multiple partnerships per Area.

26 (e) The Restore, Reinvest, and Renew Program Board is

1 created and shall reflect the diversity of the State of
2 Illinois, including geographic, racial, and ethnic diversity.
3 Using the data provided by the Authority, the Restore,
4 Reinvest, and Renew Program Board shall be responsible for
5 designating the R3 Area boundaries and for the selection and
6 oversight of R3 Area grantees. The Restore, Reinvest, and Renew
7 Program Board ex officio members shall, within 4 months after
8 the effective date of this Act, convene the Board to appoint a
9 full Restore, Reinvest, and Renew Program Board and oversee,
10 provide guidance to, and develop an administrative structure
11 for the R3 Program.

12 (1) The ex officio members are:

13 (A) The Lieutenant Governor, or his or her
14 designee, who shall serve as chair.

15 (B) The Attorney General, or his or her
16 designee.

17 (C) The Director of Commerce and Economic
18 Opportunity, or his or her designee.

19 (D) The Director of Public Health, or his or
20 her designee.

21 (E) The Director of Corrections, or his or her
22 designee.

23 (F) The Executive Director of the Illinois
24 Criminal Justice Information Authority, or his or
25 her designee.

26 (G) The Director of Employment Security, or

1 his or her designee.

2 (H) The Secretary of Human Services, or his or
3 her designee.

4 (I) A member of the Senate, designated by the
5 President of the Senate.

6 (J) A member of the House of Representatives,
7 designated by the Speaker of the House of
8 Representatives.

9 (K) A member of the Senate, designated by the
10 Minority Leader of the Senate.

11 (L) A member of the House of Representatives,
12 designated by the Minority Leader of the House of
13 Representatives.

14 (2) Within 90 days after the R3 Areas have been
15 designated by the Restore, Reinvest, and Renew Program
16 Board, the following members shall be appointed to the
17 Board by the R3 board chair:

18 (A) public officials of municipal geographic
19 jurisdictions in the State that include an R3 Area, or
20 their designees;

21 (B) 4 community-based providers or community
22 development organization representatives who provide
23 services to treat violence and address the social
24 determinants of health, or promote community
25 investment, including, but not limited to, services
26 such as job placement and training, educational

1 services, workforce development programming, and
2 wealth building. The community-based organization
3 representatives shall work primarily in jurisdictions
4 that include an R3 Area and no more than 2
5 representatives shall work primarily in Cook County.
6 At least one of the community-based providers shall
7 have expertise in providing services to an immigrant
8 population;

9 (C) Two experts in the field of violence reduction;

10 (D) One male who has previously been incarcerated
11 and is over the age of 24 at time of appointment;

12 (E) One female who has previously been
13 incarcerated and is over the age of 24 at time of
14 appointment;

15 (F) Two individuals who have previously been
16 incarcerated and are between the ages of 17 and 24 at
17 time of appointment.

18 As used in this paragraph (2), "an individual who has
19 been previously incarcerated" means a person who has been
20 convicted of or pled guilty to one or more felonies, who
21 was sentenced to a term of imprisonment, and who has
22 completed his or her sentence. Board members shall serve
23 without compensation and may be reimbursed for reasonable
24 expenses incurred in the performance of their duties from
25 funds appropriated for that purpose. Once all its members
26 have been appointed as outlined in items (A) through (F) of

1 this paragraph (2), the Board may exercise any power,
2 perform any function, take any action, or do anything in
3 furtherance of its purposes and goals upon the appointment
4 of a quorum of its members. The Board terms of the non-ex
5 officio and General Assembly Board members shall end 4
6 years from the date of appointment.

7 (f) Within 12 months after the effective date of this Act,
8 the Board shall:

9 (1) develop a process to solicit applications from
10 eligible R3 Areas;

11 (2) develop a standard template for both planning and
12 implementation activities to be submitted by R3 Areas to
13 the State;

14 (3) identify resources sufficient to support the full
15 administration and evaluation of the R3 Program, including
16 building and sustaining core program capacity at the
17 community and State levels;

18 (4) review R3 Area grant applications and proposed
19 agreements and approve the distribution of resources;

20 (5) develop a performance measurement system that
21 focuses on positive outcomes;

22 (6) develop a process to support ongoing monitoring and
23 evaluation of R3 programs; and

24 (7) deliver an annual report to the General Assembly
25 and to the Governor to be posted on the Governor's Office
26 and General Assembly websites and provide to the public an

1 annual report on its progress.

2 (g) R3 Area grants.

3 (1) Grant funds shall be awarded by the Illinois
4 Criminal Justice Information Authority, in coordination
5 with the R3 board, based on the likelihood that the plan
6 will achieve the outcomes outlined in subsection (a) and
7 consistent with the requirements of the Grant
8 Accountability and Transparency Act. The R3 Program shall
9 also facilitate the provision of training and technical
10 assistance for capacity building within and among R3 Areas.

11 (2) R3 Program Board grants shall be used to address
12 economic development, violence prevention services,
13 re-entry services, youth development, and civil legal aid.

14 (3) The Restore, Reinvest, and Renew Program Board and
15 the R3 Area grantees shall, within a period of no more than
16 120 days from the completion of planning activities
17 described in this Section, finalize an agreement on the
18 plan for implementation. Implementation activities may:

19 (A) have a basis in evidence or best practice
20 research or have evaluations demonstrating the
21 capacity to address the purpose of the program in
22 subsection (a);

23 (B) collect data from the inception of planning
24 activities through implementation, with data
25 collection technical assistance when needed, including
26 cost data and data related to identified meaningful

1 short-term, mid-term, and long-term goals and metrics;
2 (C) report data to the Restore, Reinvest, and Renew
3 Program Board biannually; and
4 (D) report information as requested by the R3
5 Program Board.

6 Section 10-50. Employment; employer liability.

7 (a) Nothing in this Act shall prohibit an employer from
8 adopting reasonable zero tolerance or drug free workplace
9 policies, or employment policies concerning drug testing,
10 smoking, consumption, storage, or use of cannabis in the
11 workplace or while on call provided that the policy is applied
12 in a nondiscriminatory manner.

13 (b) Nothing in this Act shall require an employer to permit
14 an employee to be under the influence of or use cannabis in the
15 employer's workplace or while performing the employee's job
16 duties or while on call.

17 (c) Nothing in this Act shall limit or prevent an employer
18 from disciplining an employee or terminating employment of an
19 employee for violating an employer's employment policies or
20 workplace drug policy.

21 (d) An employer may consider an employee to be impaired or
22 under the influence of cannabis if the employer has a good
23 faith belief that an employee manifests specific, articulable
24 symptoms while working that decrease or lessen the employee's
25 performance of the duties or tasks of the employee's job

1 position, including symptoms of the employee's speech,
2 physical dexterity, agility, coordination, demeanor,
3 irrational or unusual behavior, or negligence or carelessness
4 in operating equipment or machinery; disregard for the safety
5 of the employee or others, or involvement in any accident that
6 results in serious damage to equipment or property; disruption
7 of a production or manufacturing process; or carelessness that
8 results in any injury to the employee or others. If an employer
9 elects to discipline an employee on the basis that the employee
10 is under the influence or impaired by cannabis, the employer
11 must afford the employee a reasonable opportunity to contest
12 the basis of the determination.

13 (e) Nothing in this Act shall be construed to create or
14 imply a cause of action for any person against an employer for:

15 (1) actions, including but not limited to subjecting an
16 employee or applicant to reasonable drug and alcohol
17 testing under the employer's workplace drug policy,
18 including an employee's refusal to be tested or to
19 cooperate in testing procedures or disciplining or
20 termination of employment, based on the employer's good
21 faith belief that an employee used or possessed cannabis in
22 the employer's workplace or while performing the
23 employee's job duties or while on call in violation of the
24 employer's employment policies;

25 (2) actions, including discipline or termination of
26 employment, based on the employer's good faith belief that

1 an employee was impaired as a result of the use of
2 cannabis, or under the influence of cannabis, while at the
3 employer's workplace or while performing the employee's
4 job duties or while on call in violation of the employer's
5 workplace drug policy; or

6 (3) injury, loss, or liability to a third party if the
7 employer neither knew nor had reason to know that the
8 employee was impaired.

9 (f) Nothing in this Act shall be construed to enhance or
10 diminish protections afforded by any other law, including but
11 not limited to the Compassionate Use of Medical Cannabis Pilot
12 Program Act or the Opioid Alternative Pilot Program.

13 (g) Nothing in this Act shall be construed to interfere
14 with any federal, State, or local restrictions on employment
15 including, but not limited to, the United States Department of
16 Transportation regulation 49 CFR 40.151(e) or impact an
17 employer's ability to comply with federal or State law or cause
18 it to lose a federal or State contract or funding.

19 (h) As used in this Section, "workplace" means the
20 employer's premises, including any building, real property,
21 and parking area under the control of the employer or area used
22 by an employee while in performance of the employee's job
23 duties, and vehicles, whether leased, rented, or owned.
24 "Workplace" may be further defined by the employer's written
25 employment policy, provided that the policy is consistent with
26 this Section.

1 (i) For purposes of this Section, an employee is deemed "on
2 call" when such employee is scheduled with at least 24 hours'
3 notice by his or her employer to be on standby or otherwise
4 responsible for performing tasks related to his or her
5 employment either at the employer's premises or other
6 previously designated location by his or her employer or
7 supervisor to perform a work-related task.

8 ARTICLE 15.

9 LICENSE AND REGULATION OF DISPENSING ORGANIZATIONS

10 Section 15-5. Authority.

11 (a) In this Article, "Department" means the Department of
12 Financial and Professional Regulation.

13 (b) It is the duty of the Department to administer and
14 enforce the provisions of this Act relating to the licensure
15 and oversight of dispensing organizations and dispensing
16 organization agents unless otherwise provided in this Act.

17 (c) No person shall operate a dispensing organization for
18 the purpose of serving purchasers of cannabis or cannabis
19 products without a license issued under this Article by the
20 Department. No person shall be an officer, director, manager,
21 or employee of a dispensing organization without having been
22 issued a dispensing organization agent card by the Department.

23 (d) Subject to the provisions of this Act, the Department
24 may exercise the following powers and duties:

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

3 (2) Examine, inspect, and investigate the premises,
4 operations, and records of dispensing organization
5 applicants and licensees.

6 (3) Conduct investigations of possible violations of
7 this Act pertaining to dispensing organizations and
8 dispensing organization agents.

9 (4) Conduct hearings on proceedings to refuse to issue
10 or renew licenses or to revoke, suspend, place on
11 probation, reprimand, or otherwise discipline a license
12 under this Article or take other nondisciplinary action.

13 (5) Adopt rules required for the administration of this
14 Article.

15 Section 15-10. Medical cannabis dispensing organization
16 exemption. This Article does not apply to medical cannabis
17 dispensing organizations registered under the Compassionate
18 Use of Medical Cannabis Pilot Program Act, except where
19 otherwise specified.

20 Section 15-15. Early Approval Adult Use Dispensing
21 Organization License.

22 (a) Any medical cannabis dispensing organization holding a
23 valid registration under the Compassionate Use of Medical
24 Cannabis Pilot Program Act as of the effective date of this Act

1 may, within 60 days of the effective date of this Act, apply to
2 the Department for an Early Approval Adult Use Dispensing
3 Organization License to serve purchasers at any medical
4 cannabis dispensing location in operation on the effective date
5 of this Act, pursuant to this Section.

6 (b) A medical cannabis dispensing organization seeking
7 issuance of an Early Approval Adult Use Dispensing Organization
8 License to serve purchasers at any medical cannabis dispensing
9 location in operation as of the effective date of this Act
10 shall submit an application on forms provided by the
11 Department. The application must be submitted by the same
12 person or entity that holds the medical cannabis dispensing
13 organization registration and include the following:

14 (1) Payment of a nonrefundable fee of \$30,000 to be
15 deposited into the Cannabis Regulation Fund;

16 (2) Proof of registration as a medical cannabis
17 dispensing organization that is in good standing;

18 (3) Certification that the applicant will comply with
19 the requirements contained in the Compassionate Use of
20 Medical Cannabis Pilot Program Act except as provided in
21 this Act;

22 (4) The legal name of the dispensing organization;

23 (5) The physical address of the dispensing
24 organization;

25 (6) The name, address, social security number, and date
26 of birth of each principal officer and board member of the

1 dispensing organization, each of whom must be at least 21
2 years of age;

3 (7) A nonrefundable Cannabis Business Development Fee
4 equal to 3% of the dispensing organization's total sales
5 between June 1, 2018 to June 1, 2019, or \$100,000,
6 whichever is less, to be deposited into the Cannabis
7 Business Development Fund; and

8 (8) Identification of one of the following Social
9 Equity Inclusion Plans to be completed by March 31, 2021:

10 (A) Make a contribution of 3% of total sales from
11 June 1, 2018 to June 1, 2019, or \$100,000, whichever is
12 less, to the Cannabis Business Development Fund. This
13 is in addition to the fee required by item (7) of this
14 subsection (b);

15 (B) Make a grant of 3% of total sales from June 1,
16 2018 to June 1, 2019, or \$100,000, whichever is less,
17 to a cannabis industry training or education program at
18 an Illinois community college as defined in the Public
19 Community College Act;

20 (C) Make a donation of \$100,000 or more to a
21 program that provides job training services to persons
22 recently incarcerated or that operates in a
23 Disproportionately Impacted Area;

24 (D) Participate as a host in a cannabis business
25 establishment incubator program approved by the
26 Department of Commerce and Economic Opportunity, and

1 in which an Early Approval Adult Use Dispensing
2 Organization License holder agrees to provide a loan of
3 at least \$100,000 and mentorship to incubate a licensee
4 that qualifies as a Social Equity Applicant for at
5 least a year. As used in this Section, "incubate" means
6 providing direct financial assistance and training
7 necessary to engage in licensed cannabis industry
8 activity similar to that of the host licensee. The
9 Early Approval Adult Use Dispensing Organization
10 License holder or the same entity holding any other
11 licenses issued pursuant to this Act shall not take an
12 ownership stake of greater than 10% in any business
13 receiving incubation services to comply with this
14 subsection. If an Early Approval Adult Use Dispensing
15 Organization License holder fails to find a business to
16 incubate to comply with this subsection before its
17 Early Approval Adult Use Dispensing Organization
18 License expires, it may opt to meet the requirement of
19 this subsection by completing another item from this
20 subsection; or

21 (E) Participate in a sponsorship program for at
22 least 2 years approved by the Department of Commerce
23 and Economic Opportunity in which an Early Approval
24 Adult Use Dispensing Organization License holder
25 agrees to provide an interest-free loan of at least
26 \$200,000 to a Social Equity Applicant. The sponsor

1 shall not take an ownership stake in any cannabis
2 business establishment receiving sponsorship services
3 to comply with this subsection.

4 (c) The license fee required by paragraph (1) of subsection
5 (b) of this Section shall be in addition to any license fee
6 required for the renewal of a registered medical cannabis
7 dispensing organization license.

8 (d) Applicants must submit all required information,
9 including the requirements in subsection (b) of this Section,
10 to the Department. Failure by an applicant to submit all
11 required information may result in the application being
12 disqualified.

13 (e) If the Department receives an application that fails to
14 provide the required elements contained in subsection (b), the
15 Department shall issue a deficiency notice to the applicant.
16 The applicant shall have 10 calendar days from the date of the
17 deficiency notice to submit complete information. Applications
18 that are still incomplete after this opportunity to cure may be
19 disqualified.

20 (f) If an applicant meets all the requirements of
21 subsection (b) of this Section, the Department shall issue the
22 Early Approval Adult Use Dispensing Organization License
23 within 14 days of receiving a completed application unless:

24 (1) The licensee or a principal officer is delinquent
25 in filing any required tax returns or paying any amounts
26 owed to the State of Illinois;

1 (2) The Secretary of Financial and Professional
2 Regulation determines there is reason, based on documented
3 compliance violations, the licensee is not entitled to an
4 Early Approval Adult Use Dispensing Organization License;
5 or

6 (3) Any principal officer fails to register and remain
7 in compliance with this Act or the Compassionate Use of
8 Medical Cannabis Pilot Program Act.

9 (g) A registered medical cannabis dispensing organization
10 that obtains an Early Approval Adult Use Dispensing
11 Organization License may begin selling cannabis,
12 cannabis-infused products, paraphernalia, and related items to
13 purchasers under the rules of this Act no sooner than January
14 1, 2020.

15 (h) A dispensing organization holding a medical cannabis
16 dispensing organization license issued under the Compassionate
17 Use of Medical Cannabis Pilot Program Act must maintain an
18 adequate supply of cannabis and cannabis-infused products for
19 purchase by qualifying patients, caregivers, provisional
20 patients, and Opioid Alternative Pilot Program participants.
21 For the purposes of this subsection, "adequate supply" means a
22 monthly inventory level that is comparable in type and quantity
23 to those medical cannabis products provided to patients and
24 caregivers on an average monthly basis for the 6 months before
25 the effective date of this Act.

26 (i) If there is a shortage of cannabis or cannabis-infused

1 products, a dispensing organization holding both a dispensing
2 organization license under the Compassionate Use of Medical
3 Cannabis Pilot Program Act and this Act shall prioritize
4 serving qualifying patients, caregivers, provisional patients,
5 and Opioid Alternative Pilot Program participants before
6 serving purchasers.

7 (j) Notwithstanding any law or rule to the contrary, a
8 person that holds a medical cannabis dispensing organization
9 license issued under the Compassionate Use of Medical Cannabis
10 Pilot Program Act and an Early Approval Adult Use Dispensing
11 Organization License may permit purchasers into a limited
12 access area as that term is defined in administrative rules
13 made under the authority in the Compassionate Use of Medical
14 Cannabis Pilot Program Act.

15 (k) An Early Approval Adult Use Dispensing Organization
16 License is valid until March 31, 2021. A dispensing
17 organization that obtains an Early Approval Adult Use
18 Dispensing Organization License shall receive written or
19 electronic notice 90 days before the expiration of the license
20 that the license will expire, and inform the license holder
21 that it may renew its Early Approval Adult Use Dispensing
22 Organization License. The Department shall renew the Early
23 Approval Adult Use Dispensing Organization License within 60
24 days of the renewal application being deemed complete if:

- 25 (1) the dispensing organization submits an application
26 and the required nonrefundable renewal fee of \$30,000, to

1 be deposited into the Cannabis Regulation Fund;

2 (2) the Department has not suspended or revoked the
3 Early Approval Adult Use Dispensing Organization License
4 or a medical cannabis dispensing organization license on
5 the same premises for violations of this Act, the
6 Compassionate Use of Medical Cannabis Pilot Program Act, or
7 rules adopted pursuant to those Acts; and

8 (3) the dispensing organization has completed a Social
9 Equity Inclusion Plan as required by paragraph (8) of
10 subsection (b) of this Section.

11 (1) The Early Approval Adult Use Dispensing Organization
12 License renewed pursuant to subsection (k) of this Section
13 shall expire March 31, 2022. The Early Approval Adult Use
14 Dispensing Organization Licensee shall receive written or
15 electronic notice 90 days before the expiration of the license
16 that the license will expire, and inform the license holder
17 that it may apply for an Adult Use Dispensing Organization
18 License. The Department shall grant an Adult Use Dispensing
19 Organization License within 60 days of an application being
20 deemed complete if the applicant has met all of the criteria in
21 Section 15-36.

22 (m) If a dispensary fails to submit an application for an
23 Adult Use Dispensing Organization License before the
24 expiration of the Early Approval Adult Use Dispensing
25 Organization License pursuant to subsection (k) of this
26 Section, the dispensing organization shall cease serving

1 purchasers and cease all operations until it receives an Adult
2 Use Dispensing Organization License.

3 (n) A dispensing organization agent who holds a valid
4 dispensing organization agent identification card issued under
5 the Compassionate Use of Medical Cannabis Pilot Program Act and
6 is an officer, director, manager, or employee of the dispensing
7 organization licensed under this Section may engage in all
8 activities authorized by this Article to be performed by a
9 dispensing organization agent.

10 (o) All fees collected pursuant to this Section shall be
11 deposited into the Cannabis Regulation Fund, unless otherwise
12 specified.

13 Section 15-20. Early Approval Adult Use Dispensing
14 Organization License; secondary site.

15 (a) If the Department suspends or revokes the Early
16 Approval Adult Use Dispensing Organization License of a
17 dispensing organization that also holds a medical cannabis
18 dispensing organization license issued under the Compassionate
19 Use of Medical Cannabis Pilot Program Act, the Department may
20 consider the suspension or revocation as grounds to take
21 disciplinary action against the medical cannabis dispensing
22 organization license.

23 (a-5) If, within 360 days of the effective date of this
24 Act, a dispensing organization is unable to find a location
25 within the BLS Regions prescribed in subsection (a) of this

1 Section in which to operate an Early Approval Adult Use
2 Dispensing Organization at a secondary site because no
3 jurisdiction within the prescribed area allows the operation of
4 an Adult Use Cannabis Dispensing Organization, the Department
5 of Financial and Professional Regulation may waive the
6 geographic restrictions of subsection (a) of this Section and
7 specify another BLS Region into which the dispensary may be
8 placed.

9 (b) Any medical cannabis dispensing organization holding a
10 valid registration under the Compassionate Use of Medical
11 Cannabis Pilot Program Act as of the effective date of this Act
12 may, within 60 days of the effective date of this Act, apply to
13 the Department for an Early Approval Adult Use Dispensing
14 Organization License to operate a dispensing organization to
15 serve purchasers at a secondary site not within 1,500 feet of
16 another medical cannabis dispensing organization or adult use
17 dispensing organization. The Early Approval Adult Use
18 Dispensing Organization secondary site shall be within any BLS
19 region that shares territory with the dispensing organization
20 district to which the medical cannabis dispensing organization
21 is assigned under the administrative rules for dispensing
22 organizations under the Compassionate Use of Medical Cannabis
23 Pilot Program Act.

24 (c) A medical cannabis dispensing organization seeking
25 issuance of an Early Approval Adult Use Dispensing Organization
26 License at a secondary site to serve purchasers at a secondary

1 site as prescribed in subsection (b) of this Section shall
2 submit an application on forms provided by the Department. The
3 application must meet or include the following qualifications:

4 (1) a payment of a nonrefundable application fee of
5 \$30,000;

6 (2) proof of registration as a medical cannabis
7 dispensing organization that is in good standing;

8 (3) submission of the application by the same person or
9 entity that holds the medical cannabis dispensing
10 organization registration;

11 (4) the legal name of the medical cannabis dispensing
12 organization;

13 (5) the physical address of the medical cannabis
14 dispensing organization and the proposed physical address
15 of the secondary site;

16 (6) a copy of the current local zoning ordinance
17 Sections relevant to dispensary operations and
18 documentation of the approval, the conditional approval or
19 the status of a request for zoning approval from the local
20 zoning office that the proposed dispensary location is in
21 compliance with the local zoning rules;

22 (7) a plot plan of the dispensary drawn to scale. The
23 applicant shall submit general specifications of the
24 building exterior and interior layout;

25 (8) a statement that the dispensing organization
26 agrees to respond to the Department's supplemental

1 requests for information;

2 (9) for the building or land to be used as the proposed
3 dispensary:

4 (A) if the property is not owned by the applicant,
5 a written statement from the property owner and
6 landlord, if any, certifying consent that the
7 applicant may operate a dispensary on the premises; or

8 (B) if the property is owned by the applicant,
9 confirmation of ownership;

10 (10) a copy of the proposed operating bylaws;

11 (11) a copy of the proposed business plan that complies
12 with the requirements in this Act, including, at a minimum,
13 the following:

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

15 (B) a description of the process of dispensing
16 cannabis;

17 (12) a copy of the proposed security plan that complies
18 with the requirements in this Article, including:

19 (A) a description of the delivery process by which
20 cannabis will be received from a transporting
21 organization, including receipt of manifests and
22 protocols that will be used to avoid diversion, theft,
23 or loss at the dispensary acceptance point; and

24 (B) the process or controls that will be
25 implemented to monitor the dispensary, secure the
26 premises, agents, patients, and currency, and prevent

1 the diversion, theft, or loss of cannabis; and

2 (C) the process to ensure that access to the
3 restricted access areas is restricted to, registered
4 agents, service professionals, transporting
5 organization agents, Department inspectors, and
6 security personnel;

7 (13) a proposed inventory control plan that complies
8 with this Section;

9 (14) the name, address, social security number, and
10 date of birth of each principal officer and board member of
11 the dispensing organization; each of those individuals
12 shall be at least 21 years of age;

13 (15) a nonrefundable Cannabis Business Development Fee
14 equal to \$200,000, to be deposited into the Cannabis
15 Business Development Fund; and

16 (16) a commitment to completing one of the following
17 Social Equity Inclusion Plans in subsection (d).

18 (d) Before receiving an Early Approval Adult Use Dispensing
19 Organization License at a secondary site, a dispensing
20 organization shall indicate the Social Equity Inclusion Plan
21 that the applicant plans to achieve before the expiration of
22 the Early Approval Adult Use Dispensing Organization License
23 from the list below:

24 (1) make a contribution of 3% of total sales from June
25 1, 2018 to June 1, 2019, or \$100,000, whichever is less, to
26 the Cannabis Business Development Fund. This is in addition

1 to the fee required by paragraph (16) of subsection (c) of
2 this Section;

3 (2) make a grant of 3% of total sales from June 1, 2018
4 to June 1, 2019, or \$100,000, whichever is less, to a
5 cannabis industry training or education program at an
6 Illinois community college as defined in the Public
7 Community College Act;

8 (3) make a donation of \$100,000 or more to a program
9 that provides job training services to persons recently
10 incarcerated or that operates in a Disproportionately
11 Impacted Area;

12 (4) participate as a host in a cannabis business
13 establishment incubator program approved by the Department
14 of Commerce and Economic Opportunity, and in which an Early
15 Approval Adult Use Dispensing Organization License at a
16 secondary site holder agrees to provide a loan of at least
17 \$100,000 and mentorship to incubate a licensee that
18 qualifies as a Social Equity Applicant for at least a year.
19 In this paragraph (4), "incubate" means providing direct
20 financial assistance and training necessary to engage in
21 licensed cannabis industry activity similar to that of the
22 host licensee. The Early Approval Adult Use Dispensing
23 Organization License holder or the same entity holding any
24 other licenses issued under this Act shall not take an
25 ownership stake of greater than 10% in any business
26 receiving incubation services to comply with this

1 subsection. If an Early Approval Adult Use Dispensing
2 Organization License at a secondary site holder fails to
3 find a business to incubate in order to comply with this
4 subsection before its Early Approval Adult Use Dispensing
5 Organization License at a secondary site expires, it may
6 opt to meet the requirement of this subsection by
7 completing another item from this subsection before the
8 expiration of its Early Approval Adult Use Dispensing
9 Organization License at a secondary site to avoid a
10 penalty; or

11 (5) participate in a sponsorship program for at least 2
12 years approved by the Department of Commerce and Economic
13 Opportunity in which an Early Approval Adult Use Dispensing
14 Organization License at a secondary site holder agrees to
15 provide an interest-free loan of at least \$200,000 to a
16 Social Equity Applicant. The sponsor shall not take an
17 ownership stake of greater than 10% in any business
18 receiving sponsorship services to comply with this
19 subsection.

20 (e) The license fee required by paragraph (1) of subsection
21 (c) of this Section is in addition to any license fee required
22 for the renewal of a registered medical cannabis dispensing
23 organization license.

24 (f) Applicants must submit all required information,
25 including the requirements in subsection (c) of this Section,
26 to the Department. Failure by an applicant to submit all

1 required information may result in the application being
2 disqualified.

3 (g) If the Department receives an application that fails to
4 provide the required elements contained in subsection (c), the
5 Department shall issue a deficiency notice to the applicant.
6 The applicant shall have 10 calendar days from the date of the
7 deficiency notice to submit complete information. Applications
8 that are still incomplete after this opportunity to cure may be
9 disqualified.

10 (h) Once all required information and documents have been
11 submitted, the Department will review the application. The
12 Department may request revisions and retains final approval
13 over dispensary features. Once the application is complete and
14 meets the Department's approval, the Department shall
15 conditionally approve the license. Final approval is
16 contingent on the build-out and Department inspection.

17 (i) Upon submission of the Early Approval Adult Use
18 Dispensing Organization at a secondary site application, the
19 applicant shall request an inspection and the Department may
20 inspect the Early Approval Adult Use Dispensing Organization's
21 secondary site to confirm compliance with the application and
22 this Act.

23 (j) The Department shall only issue an Early Approval Adult
24 Use Dispensing Organization License at a secondary site after
25 the completion of a successful inspection.

26 (k) If an applicant passes the inspection under this

1 Section, the Department shall issue the Early Approval Adult
2 Use Dispensing Organization License at a secondary site within
3 10 business days unless:

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

9 (2) The Secretary of Financial and Professional
10 Regulation determines there is reason, based on documented
11 compliance violations, the licensee is not entitled to an
12 Early Approval Adult Use Dispensing Organization License
13 at its secondary site.

14 (1) Once the Department has issued a license, the
15 dispensing organization shall notify the Department of the
16 proposed opening date.

17 (m) A registered medical cannabis dispensing organization
18 that obtains an Early Approval Adult Use Dispensing
19 Organization License at a secondary site may begin selling
20 cannabis, cannabis-infused products, paraphernalia, and
21 related items to purchasers under the rules of this Act no
22 sooner than January 1, 2020.

23 (n) If there is a shortage of cannabis or cannabis-infused
24 products, a dispensing organization holding both a dispensing
25 organization license under the Compassionate Use of Medical
26 Cannabis Pilot Program Act and this Article shall prioritize

1 serving qualifying patients and caregivers before serving
2 purchasers.

3 (o) An Early Approval Adult Use Dispensing Organization
4 License at a secondary site is valid until March 31, 2021. A
5 dispensing organization that obtains an Early Approval Adult
6 Use Dispensing Organization License at a secondary site shall
7 receive written or electronic notice 90 days before the
8 expiration of the license that the license will expire, and
9 inform the license holder that it may renew its Early Approval
10 Adult Use Dispensing Organization License at a secondary site.
11 The Department shall renew an Early Approval Adult Use
12 Dispensing Organization License at a secondary site within 60
13 days of submission of the renewal application being deemed
14 complete if:

15 (1) the dispensing organization submits an application
16 and the required nonrefundable renewal fee of \$30,000, to
17 be deposited into the Cannabis Regulation Fund;

18 (2) the Department has not suspended or revoked the
19 Early Approval Adult Use Dispensing Organization License
20 or a medical cannabis dispensing organization license held
21 by the same person or entity for violating this Act or
22 rules adopted under this Act or the Compassionate Use of
23 Medical Cannabis Pilot Program Act or rules adopted under
24 that Act; and

25 (3) the dispensing organization has completed a Social
26 Equity Inclusion Plan as required by paragraph (16) of

1 subsection (c) of this Section.

2 (p) The Early Approval Adult Use Dispensing Organization
3 Licensee at a secondary site renewed pursuant to subsection (o)
4 shall receive written or electronic notice 90 days before the
5 expiration of the license that the license will expire, and
6 inform the license holder that it may apply for an Adult Use
7 Dispensing Organization License. The Department shall grant an
8 Adult Use Dispensing Organization License within 60 days of an
9 application being deemed complete if the applicant has meet all
10 of the criteria in Section 15-36.

11 (q) If a dispensing organization fails to submit an
12 application for renewal of an Early Approval Adult Use
13 Dispensing Organization License or for an Adult Use Dispensing
14 Organization License before the expiration dates provided in
15 subsections (o) and (p) of this Section, the dispensing
16 organization shall cease serving purchasers until it receives a
17 renewal or an Adult Use Dispensing Organization License.

18 (r) A dispensing organization agent who holds a valid
19 dispensing organization agent identification card issued under
20 the Compassionate Use of Medical Cannabis Pilot Program Act and
21 is an officer, director, manager, or employee of the dispensing
22 organization licensed under this Section may engage in all
23 activities authorized by this Article to be performed by a
24 dispensing organization agent.

25 (s) If the Department suspends or revokes the Early
26 Approval Adult Use Dispensing Organization License of a

1 dispensing organization that also holds a medical cannabis
2 dispensing organization license issued under the Compassionate
3 Use of Medical Cannabis Pilot Program Act, the Department may
4 consider the suspension or revocation as grounds to take
5 disciplinary action against the medical cannabis dispensing
6 organization.

7 (t) All fees or fines collected from an Early Approval
8 Adult Use Dispensary Organization License at a secondary site
9 holder as a result of a disciplinary action in the enforcement
10 of this Act shall be deposited into the Cannabis Regulation
11 Fund and be appropriated to the Department for the ordinary and
12 contingent expenses of the Department in the administration and
13 enforcement of this Section.

14 Section 15-25. Awarding of Conditional Adult Use
15 Dispensing Organization Licenses prior to January 1, 2021.

16 (a) The Department shall issue up to 75 Conditional Adult
17 Use Dispensing Organization Licenses before May 1, 2020.

18 (b) The Department shall make the application for a
19 Conditional Adult Use Dispensing Organization License
20 available no later than October 1, 2019 and shall accept
21 applications no later than January 1, 2020.

22 (c) To ensure the geographic dispersion of Conditional
23 Adult Use Dispensing Organization License holders, the
24 following number of licenses shall be awarded in each BLS
25 Region as determined by each region's percentage of the State's

1 population:

2 (1) Bloomington: 1

3 (2) Cape Girardeau: 1

4 (3) Carbondale-Marion: 1

5 (4) Champaign-Urbana: 1

6 (5) Chicago-Naperville-Elgin: 47

7 (6) Danville: 1

8 (7) Davenport-Moline-Rock Island: 1

9 (8) Decatur: 1

10 (9) Kankakee: 1

11 (10) Peoria: 3

12 (11) Rockford: 2

13 (12) St. Louis: 4

14 (13) Springfield: 1

15 (14) Northwest Illinois nonmetropolitan: 3

16 (15) West Central Illinois nonmetropolitan: 3

17 (16) East Central Illinois nonmetropolitan: 2

18 (17) South Illinois nonmetropolitan: 2

19 (d) An applicant seeking issuance of a Conditional Adult
20 Use Dispensing Organization License shall submit an
21 application on forms provided by the Department. An applicant
22 must meet the following requirements:

23 (1) Payment of a nonrefundable application fee of
24 \$5,000 for each license for which the applicant is
25 applying, which shall be deposited into the Cannabis
26 Regulation Fund;

1 (2) Certification that the applicant will comply with
2 the requirements contained in this Act;

3 (3) The legal name of the proposed dispensing
4 organization;

5 (4) A statement that the dispensing organization
6 agrees to respond to the Department's supplemental
7 requests for information;

8 (5) From each principal officer, a statement
9 indicating whether that person:

10 (A) has previously held or currently holds an
11 ownership interest in a cannabis business
12 establishment in Illinois; or

13 (B) has held an ownership interest in a dispensing
14 organization or its equivalent in another state or
15 territory of the United States that had the dispensing
16 organization registration or license suspended,
17 revoked, placed on probationary status, or subjected
18 to other disciplinary action;

19 (6) Disclosure of whether any principal officer has
20 ever filed for bankruptcy or defaulted on spousal support
21 or child support obligation;

22 (7) A resume for each principal officer, including
23 whether that person has an academic degree, certification,
24 or relevant experience with a cannabis business
25 establishment or in a related industry;

26 (8) A description of the training and education that

1 will be provided to dispensing organization agents;

2 (9) A copy of the proposed operating bylaws;

3 (10) A copy of the proposed business plan that complies
4 with the requirements in this Act, including, at a minimum,
5 the following:

6 (A) A description of services to be offered; and

7 (B) A description of the process of dispensing
8 cannabis;

9 (11) A copy of the proposed security plan that complies
10 with the requirements in this Article, including:

11 (A) The process or controls that will be
12 implemented to monitor the dispensary, secure the
13 premises, agents, and currency, and prevent the
14 diversion, theft, or loss of cannabis; and

15 (B) The process to ensure that access to the
16 restricted access areas is restricted to, registered
17 agents, service professionals, transporting
18 organization agents, Department inspectors, and
19 security personnel;

20 (12) A proposed inventory control plan that complies
21 with this Section;

22 (13) A proposed floor plan, a square footage estimate,
23 and a description of proposed security devices, including,
24 without limitation, cameras, motion detectors, servers,
25 video storage capabilities, and alarm service providers;

26 (14) The name, address, social security number, and

1 date of birth of each principal officer and board member of
2 the dispensing organization; each of those individuals
3 shall be at least 21 years of age;

4 (15) Evidence of the applicant's status as a Social
5 Equity Applicant, if applicable, and whether a Social
6 Equity Applicant plans to apply for a loan or grant issued
7 by the Department of Commerce and Economic Opportunity;

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

11 (17) Written summaries of any information regarding
12 instances in which a business or not-for-profit that a
13 prospective board member previously managed or served on
14 were fined or censured, or any instances in which a
15 business or not-for-profit that a prospective board member
16 previously managed or served on had its registration
17 suspended or revoked in any administrative or judicial
18 proceeding;

19 (18) A plan for community engagement;

20 (19) Procedures to ensure accurate recordkeeping and
21 security measures that are in accordance with this Article
22 and Department rules;

23 (20) The estimated volume of cannabis it plans to store
24 at the dispensary;

25 (21) A description of the features that will provide
26 accessibility to purchasers as required by the Americans

1 with Disabilities Act;

2 (22) A detailed description of air treatment systems
3 that will be installed to reduce odors;

4 (23) A reasonable assurance that the issuance of a
5 license will not have a detrimental impact on the community
6 in which the applicant wishes to locate;

7 (24) The dated signature of each principal officer;

8 (25) A description of the enclosed, locked facility
9 where cannabis will be stored by the dispensing
10 organization;

11 (26) Signed statements from each dispensing
12 organization agent stating that he or she will not divert
13 cannabis;

14 (27) The number of licenses it is applying for in each
15 BLS Region;

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

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

26 (30) Other information deemed necessary by the

1 Illinois Cannabis Regulation Oversight Officer to conduct
2 the disparity and availability study referenced in
3 subsection (e) of Section 5-45.

4 (e) An applicant who receives a Conditional Adult Use
5 Dispensing Organization License under this Section has 180 days
6 from the date of award to identify a physical location for the
7 dispensing organization retail storefront. Before a
8 conditional licensee receives an authorization to build out the
9 dispensing organization from the Department, the Department
10 shall inspect the physical space selected by the conditional
11 licensee. The Department shall verify the site is suitable for
12 public access, the layout promotes the safe dispensing of
13 cannabis, the location is sufficient in size, power allocation,
14 lighting, parking, handicapped accessible parking spaces,
15 accessible entry and exits as required by the Americans with
16 Disabilities Act, product handling, and storage. The applicant
17 shall also provide a statement of reasonable assurance that the
18 issuance of a license will not have a detrimental impact on the
19 community. The applicant shall also provide evidence that the
20 location is not within 1,500 feet of an existing dispensing
21 organization. If an applicant is unable to find a suitable
22 physical address in the opinion of the Department within 180
23 days of the issuance of the Conditional Adult Use Dispensing
24 Organization License, the Department may extend the period for
25 finding a physical address another 180 days if the Conditional
26 Adult Use Dispensing Organization License holder demonstrates

1 concrete attempts to secure a location and a hardship. If the
2 Department denies the extension or the Conditional Adult Use
3 Dispensing Organization License holder is unable to find a
4 location or become operational within 360 days of being awarded
5 a conditional license, the Department shall rescind the
6 conditional license and award it to the next highest scoring
7 applicant in the BLS Region for which the license was assigned,
8 provided the applicant receiving the license: (i) confirms a
9 continued interest in operating a dispensing organization;
10 (ii) can provide evidence that the applicant continues to meet
11 the financial requirements provided in subsection (c) of this
12 Section; and (iii) has not otherwise become ineligible to be
13 awarded a dispensing organization license. If the new awardee
14 is unable to accept the Conditional Adult Use Dispensing
15 Organization License, the Department shall award the
16 Conditional Adult Use Dispensing Organization License to the
17 next highest scoring applicant in the same manner. The new
18 awardee shall be subject to the same required deadlines as
19 provided in this subsection.

20 (e-5) If, within 180 days of being awarded a Conditional
21 Adult Use Dispensing Organization license, a dispensing
22 organization is unable to find a location within the BLS Region
23 in which it was awarded a Conditional Adult Use Dispensing
24 Organization license because no jurisdiction within the BLS
25 Region allows for the operation of an Adult Use Dispensing
26 Organization, the Department of Financial and Professional

1 Regulation may authorize the Conditional Adult Use Dispensing
2 Organization License holder to transfer its license to a BLS
3 Region specified by the Department.

4 (f) A dispensing organization that is awarded a Conditional
5 Adult Use Dispensing Organization License pursuant to the
6 criteria in Section 15-30 shall not purchase, possess, sell, or
7 dispense cannabis or cannabis-infused products until the
8 person has received an Adult Use Dispensing Organization
9 License issued by the Department pursuant to Section 15-36 of
10 this Act. The Department shall not issue an Adult Use
11 Dispensing Organization License until:

12 (1) the Department has inspected the dispensary site
13 and proposed operations and verified that they are in
14 compliance with this Act and local zoning laws; and

15 (2) the Conditional Adult Use Dispensing Organization
16 License holder has paid a registration fee of \$60,000, or a
17 prorated amount accounting for the difference of time
18 between when the Adult Use Dispensing Organization License
19 is issued and March 31 of the next even-numbered year.

20 (g) The Department shall conduct a background check of the
21 prospective organization agents in order to carry out this
22 Article. The Department of State Police shall charge the
23 applicant a fee for conducting the criminal history record
24 check, which shall be deposited into the State Police Services
25 Fund and shall not exceed the actual cost of the record check.
26 Each person applying as a dispensing organization agent shall

1 submit a full set of fingerprints to the Department of State
2 Police for the purpose of obtaining a State and federal
3 criminal records check. These fingerprints shall be checked
4 against the fingerprint records now and hereafter, to the
5 extent allowed by law, filed in the Department of State Police
6 and Federal Bureau of Identification criminal history records
7 databases. The Department of State Police shall furnish,
8 following positive identification, all Illinois conviction
9 information to the Department.

10 Section 15-30. Selection criteria for conditional licenses
11 awarded under Section 15-25.

12 (a) Applicants for a Conditional Adult Use Dispensing
13 Organization License must submit all required information,
14 including the information required in Section 15-25, to the
15 Department. Failure by an applicant to submit all required
16 information may result in the application being disqualified.

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

24 (c) The Department will award up to 250 points to complete
25 applications based on the sufficiency of the applicant's

1 responses to required information. Applicants will be awarded
2 points based on a determination that the application
3 satisfactorily includes the following elements:

4 (1) Suitability of Employee Training Plan (15 points).

5 The plan includes an employee training plan that
6 demonstrates that employees will understand the rules
7 and laws to be followed by dispensary employees, have
8 knowledge of any security measures and operating
9 procedures of the dispensary, and are able to advise
10 purchasers on how to safely consume cannabis and use
11 individual products offered by the dispensary.

12 (2) Security and Recordkeeping (65 points).

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

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

1 rules.

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

8 (3) Applicant's Business Plan, Financials, Operating
9 and Floor Plan (65 points).

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

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

23 (C) The proposed floor plan is suitable for public
24 access, the layout promotes safe dispensing of
25 cannabis, is compliant with the Americans with
26 Disabilities Act and the Environmental Barriers Act,

1 and facilitates safe product handling and storage.

2 (4) Knowledge and Experience (30 points).

3 (A) The applicant's principal officers must
4 demonstrate experience and qualifications in business
5 management or experience with the cannabis industry.
6 This includes ensuring optimal safety and accuracy in
7 the dispensing and sale of cannabis.

8 (B) The applicant's principal officers must
9 demonstrate knowledge of various cannabis product
10 strains or varieties and describe the types and
11 quantities of products planned to be sold. This
12 includes confirmation of whether the dispensing
13 organization plans to sell cannabis paraphernalia or
14 edibles.

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

19 (5) Status as a Social Equity Applicant (50 points).

20 The applicant meets the qualifications for a
21 Social Equity Applicant as set forth in this Act.

22 (6) Labor and employment practices (5 points): The
23 applicant may describe plans to provide a safe, healthy,
24 and economically beneficial working environment for its
25 agents, including, but not limited to, codes of conduct,
26 health care benefits, educational benefits, retirement

1 benefits, living wage standards, and entering a labor peace
2 agreement with employees.

3 (7) Environmental Plan (5 points): The applicant may
4 demonstrate an environmental plan of action to minimize the
5 carbon footprint, environmental impact, and resource needs
6 for the dispensary, which may include, without limitation,
7 recycling cannabis product packaging.

8 (8) Illinois owner (5 points): The applicant is 51% or
9 more owned and controlled by an Illinois resident, who can
10 prove residency in each of the past 5 years with tax
11 records.

12 (9) Status as veteran (5 points): The applicant is 51%
13 or more controlled and owned by an individual or
14 individuals who meet the qualifications of a veteran as
15 defined by Section 45-57 of the Illinois Procurement Code.

16 (10) A diversity plan (5 points): that includes a
17 narrative of not more than 2,500 words that establishes a
18 goal of diversity in ownership, management, employment,
19 and contracting to ensure that diverse participants and
20 groups are afforded equality of opportunity.

21 (d) The Department may also award up to 2 bonus points for
22 a plan to engage with the community. The applicant may
23 demonstrate a desire to engage with its community by
24 participating in one or more of, but not limited to, the
25 following actions: (i) establishment of an incubator program
26 designed to increase participation in the cannabis industry by

1 persons who would qualify as Social Equity Applicants; (ii)
2 providing financial assistance to substance abuse treatment
3 centers; (iii) educating children and teens about the potential
4 harms of cannabis use; or (iv) other measures demonstrating a
5 commitment to the applicant's community. Bonus points will only
6 be awarded if the Department receives applications that receive
7 an equal score for a particular region.

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

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

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

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

18 (3) Who has been found guilty of a violation of this
19 Act, or whose medical cannabis dispensing organization,
20 medical cannabis cultivation organization, or Early
21 Approval Adult Use Dispensing Organization License, or
22 Early Approval Adult Use Dispensing Organization License
23 at a secondary site, or Early Approval Cultivation Center
24 License was suspended, restricted, revoked, or denied for
25 just cause, or the applicant's cannabis business
26 establishment license was suspended, restricted, revoked,

1 or denied in any other state; or

2 (4) Who has engaged in a pattern or practice of unfair
3 or illegal practices, methods, or activities in the conduct
4 of owning a cannabis business establishment or other
5 business.

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

11 (h) The Department shall verify an applicant's compliance
12 with the requirements of this Article and rules before issuing
13 a dispensing organization license.

14 (i) Should the applicant be awarded a license, the
15 information and plans provided in the application, including
16 any plans submitted for bonus points, shall become a condition
17 of the Conditional Adult Use Dispensing Organization Licenses,
18 except as otherwise provided by this Act or rule. Dispensing
19 organizations have a duty to disclose any material changes to
20 the application. The Department shall review all material
21 changes disclosed by the dispensing organization, and may
22 re-evaluate its prior decision regarding the awarding of a
23 license, including, but not limited to, suspending or revoking
24 a license. Failure to comply with the conditions or
25 requirements in the application may subject the dispensing
26 organization to discipline, up to and including suspension or

1 revocation of its authorization or license by the Department.

2 (j) If an applicant has not begun operating as a dispensing
3 organization within one year of the issuance of the Conditional
4 Adult Use Dispensing Organization License, the Department may
5 revoke the Conditional Adult Use Dispensing Organization
6 License and award it to the next highest scoring applicant in
7 the BLS Region if a suitable applicant indicates a continued
8 interest in the license or begin a new selection process to
9 award a Conditional Adult Use Dispensing Organization License.

10 (k) The Department shall deny an application if granting
11 that application would result in a single person or entity
12 having a direct or indirect financial interest in more than 10
13 Early Approval Adult Use Dispensing Organization Licenses,
14 Conditional Adult Use Dispensing Organization Licenses, or
15 Adult Use Dispensing Organization Licenses. Any entity that is
16 awarded a license that results in a single person or entity
17 having a direct or indirect financial interest in more than 10
18 licenses shall forfeit the most recently issued license and
19 suffer a penalty to be determined by the Department, unless the
20 entity declines the license at the time it is awarded.

21 Section 15-35. Conditional Adult Use Dispensing
22 Organization License after January 1, 2021.

23 (a) In addition to any of the licenses issued in Sections
24 15-15, Section 15-20, or Section 15-25 of this Act, by December
25 21, 2021, the Department shall issue up to 110 Conditional

1 Adult Use Dispensing Organization Licenses, pursuant to the
2 application process adopted under this Section. Prior to
3 issuing such licenses, the Department may adopt rules through
4 emergency rulemaking in accordance with subsection (gg) of
5 Section 5-45 of the Illinois Administrative Procedure Act. The
6 General Assembly finds that the adoption of rules to regulate
7 cannabis use is deemed an emergency and necessary for the
8 public interest, safety, and welfare. Such rules may:

9 (1) Modify or change the BLS Regions as they apply to
10 this Article or modify or raise the number of Adult
11 Conditional Use Dispensing Organization Licenses assigned
12 to each region based on the following factors:

13 (A) Purchaser wait times;

14 (B) Travel time to the nearest dispensary for
15 potential purchasers;

16 (C) Percentage of cannabis sales occurring in
17 Illinois not in the regulated market using data from
18 the Substance Abuse and Mental Health Services
19 Administration, National Survey on Drug Use and
20 Health, Illinois Behavioral Risk Factor Surveillance
21 System, and tourism data from the Illinois Office of
22 Tourism to ascertain total cannabis consumption in
23 Illinois compared to the amount of sales in licensed
24 dispensing organizations;

25 (D) Whether there is an adequate supply of cannabis
26 and cannabis-infused products to serve registered

1 medical cannabis patients;

2 (E) Population increases or shifts;

3 (F) Density of dispensing organizations in a
4 region;

5 (G) The Department's capacity to appropriately
6 regulate additional licenses;

7 (H) The findings and recommendations from the
8 disparity and availability study commissioned by the
9 Illinois Cannabis Regulation Oversight Officer in
10 subsection (e) of Section 5-45 to reduce or eliminate
11 any identified barriers to entry in the cannabis
12 industry; and

13 (I) Any other criteria the Department deems
14 relevant.

15 (2) Modify or change the licensing application process
16 to reduce or eliminate the barriers identified in the
17 disparity and availability study commissioned by the
18 Illinois Cannabis Regulation Oversight Officer and make
19 modifications to remedy evidence of discrimination.

20 (b) After January 1, 2022, the Department may by rule
21 modify or raise the number of Adult Use Dispensing Organization
22 Licenses assigned to each region, and modify or change the
23 licensing application process to reduce or eliminate barriers
24 based on the criteria in subsection (a). At no time shall the
25 Department issue more than 500 Adult Use Dispensary
26 Organization Licenses.

1 Section 15-36. Adult Use Dispensing Organization License.

2 (a) A person is only eligible to receive an Adult Use
3 Dispensing Organization if the person has been awarded a
4 Conditional Adult Use Dispensing Organization License pursuant
5 to this Act or has renewed its license pursuant to subsection
6 (k) of Section 15-15 or subsection (p) of Section 15-20.

7 (b) The Department shall not issue an Adult Use Dispensing
8 Organization License until:

9 (1) the Department has inspected the dispensary site
10 and proposed operations and verified that they are in
11 compliance with this Act and local zoning laws;

12 (2) the Conditional Adult Use Dispensing Organization
13 License holder has paid a registration fee of \$60,000 or a
14 prorated amount accounting for the difference of time
15 between when the Adult Use Dispensing Organization License
16 is issued and March 31 of the next even-numbered year; and

17 (3) the Conditional Adult Use Dispensing Organization
18 License holder has met all the requirements in the Act and
19 rules.

20 (c) No person or entity shall hold any legal, equitable,
21 ownership, or beneficial interest, directly or indirectly, of
22 more than 10 dispensing organizations licensed under this
23 Article. Further, no person or entity that is:

24 (1) employed by, is an agent of, or participates in the
25 management of a dispensing organization or registered

1 medical cannabis dispensing organization;

2 (2) a principal officer of a dispensing organization or
3 registered medical cannabis dispensing organization; or

4 (3) an entity controlled by or affiliated with a
5 principal officer of a dispensing organization or
6 registered medical cannabis dispensing organization;

7 shall hold any legal, equitable, ownership, or beneficial
8 interest, directly or indirectly, in a dispensing organization
9 that would result in such person or entity owning or
10 participating in the management of more than 10 dispensing
11 organizations. For the purpose of this subsection,
12 participating in management may include, without limitation,
13 controlling decisions regarding staffing, pricing, purchasing,
14 marketing, store design, hiring, and website design.

15 (d) The Department shall deny an application if granting
16 that application would result in a person or entity obtaining
17 direct or indirect financial interest in more than 10 Early
18 Approval Adult Use Dispensing Organization Licenses,
19 Conditional Adult Use Dispensing Organization Licenses, Adult
20 Use Dispensing Organization Licenses, or any combination
21 thereof. If a person or entity is awarded a Conditional Adult
22 Use Dispensing Organization License that would cause the person
23 or entity to be in violation of this subsection, he, she, or it
24 shall choose which license application it wants to abandon and
25 such licenses shall become available to the next qualified
26 applicant in the region in which the abandoned license was

1 awarded.

2 Section 15-40. Dispensing organization agent
3 identification card; agent training.

4 (a) The Department shall:

5 (1) Verify the information contained in an application
6 or renewal for a dispensing organization agent
7 identification card submitted under this Article, and
8 approve or deny an application or renewal, within 30 days
9 of receiving a completed application or renewal
10 application and all supporting documentation required by
11 rule;

12 (2) Issue a dispensing organization agent
13 identification card to a qualifying agent within 15
14 business days of approving the application or renewal;

15 (3) Enter the registry identification number of the
16 dispensing organization where the agent works;

17 (4) Within one year from the effective date of this
18 Act, allow for an electronic application process and
19 provide a confirmation by electronic or other methods that
20 an application has been submitted; and

21 (5) Collect a \$100 nonrefundable fee from the applicant
22 to be deposited into the Cannabis Regulation Fund.

23 (b) A dispensing agent must keep his or her identification
24 card visible at all times when on the property of the
25 dispensing organization.

1 (c) The dispensing organization agent identification cards
2 shall contain the following:

3 (1) The name of the cardholder;

4 (2) The date of issuance and expiration date of the
5 dispensing organization agent identification cards;

6 (3) A random 10-digit alphanumeric identification
7 number containing at least 4 numbers and at least 4 letters
8 that is unique to the cardholder; and

9 (4) A photograph of the cardholder.

10 (d) The dispensing organization agent identification cards
11 shall be immediately returned to the dispensing organization
12 upon termination of employment.

13 (e) The Department shall not issue an agent identification
14 card if the applicant is delinquent in filing any required tax
15 returns or paying any amounts owed to the State of Illinois.

16 (f) Any card lost by a dispensing organization agent shall
17 be reported to the Department of State Police and the
18 Department immediately upon discovery of the loss.

19 (g) An applicant shall be denied a dispensing organization
20 agent identification card if he or she fails to complete the
21 training provided for in this Section.

22 (h) A dispensing organization agent shall only be required
23 to hold one card for the same employer regardless of what type
24 of dispensing organization license the employer holds.

25 (i) Cannabis retail sales training requirements.

26 (1) Within 90 days of September 1, 2019, or 90 days of

1 employment, whichever is later, all owners, managers,
2 employees, and agents involved in the handling or sale of
3 cannabis or cannabis-infused product employed by an adult
4 use dispensing organization or medical cannabis dispensing
5 organization as defined in Section 10 of the Compassionate
6 Use of Medical Cannabis Pilot Program Act shall attend and
7 successfully complete a Responsible Vendor Program.

8 (2) Each owner, manager, employee, and agent of an
9 adult use dispensing organization or medical cannabis
10 dispensing organization shall successfully complete the
11 program annually.

12 (3) Responsible Vendor Program Training modules shall
13 include at least 2 hours of instruction time approved by
14 the Department including:

15 (i) Health and safety concerns of cannabis use,
16 including the responsible use of cannabis, its
17 physical effects, onset of physiological effects,
18 recognizing signs of impairment, and appropriate
19 responses in the event of overconsumption.

20 (ii) Training on laws and regulations on driving
21 while under the influence.

22 (iii) Sales to minors prohibition. Training shall
23 cover all relevant Illinois laws and rules.

24 (iv) Quantity limitations on sales to purchasers.
25 Training shall cover all relevant Illinois laws and
26 rules.

1 (v) Acceptable forms of identification. Training
2 shall include:

3 (I) How to check identification; and

4 (II) Common mistakes made in verification;

5 (vi) Safe storage of cannabis;

6 (vii) Compliance with all inventory tracking
7 system regulations;

8 (viii) Waste handling, management, and disposal;

9 (ix) Health and safety standards;

10 (x) Maintenance of records;

11 (xi) Security and surveillance requirements;

12 (xii) Permitting inspections by State and local
13 licensing and enforcement authorities;

14 (xiii) Privacy issues;

15 (xiv) Packaging and labeling requirement for sales
16 to purchasers; and

17 (xv) Other areas as determined by rule.

18 (j) BLANK.

19 (k) Upon the successful completion of the Responsible
20 Vendor Program, the provider shall deliver proof of completion
21 either through mail or electronic communication to the
22 dispensing organization, which shall retain a copy of the
23 certificate.

24 (l) The license of a dispensing organization or medical
25 cannabis dispensing organization whose owners, managers,
26 employees, or agents fail to comply with this Section may be

1 suspended or revoked under Section 15-145 or may face other
2 disciplinary action.

3 (m) The regulation of dispensing organization and medical
4 cannabis dispensing employer and employee training is an
5 exclusive function of the State, and regulation by a unit of
6 local government, including a home rule unit, is prohibited.
7 This subsection (m) is a denial and limitation of home rule
8 powers and functions under subsection (h) of Section 6 of
9 Article VII of the Illinois Constitution.

10 (n) Persons seeking Department approval to offer the
11 training required by paragraph (3) of subsection (i) may apply
12 for such approval between August 1 and August 15 of each
13 odd-numbered year in a manner prescribed by the Department.

14 (o) Persons seeking Department approval to offer the
15 training required by paragraph (3) of subsection (i) shall
16 submit a non-refundable application fee of \$2,000 to be
17 deposited into the Cannabis Regulation Fund or a fee as may be
18 set by rule. Any changes made to the training module shall be
19 approved by the Department.

20 (p) The Department shall not unreasonably deny approval of
21 a training module that meets all the requirements of paragraph
22 (3) of subsection (i). A denial of approval shall include a
23 detailed description of the reasons for the denial.

24 (q) Any person approved to provide the training required by
25 paragraph (3) of subsection (i) shall submit an application for
26 re-approval between August 1 and August 15 of each odd-numbered

1 year and include a non-refundable application fee of \$2,000 to
2 be deposited into the Cannabis Regulation Fund or a fee as may
3 be set by rule.

4 Section 15-45. Renewal.

5 (a) Adult Use Dispensing Organization Licenses shall
6 expire on March 31 of even-numbered years.

7 (b) Agent identification cards shall expire one year from
8 the date they are issued.

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

21 (d) Renewal fees are:

22 (1) For a dispensing organization, \$60,000, to be
23 deposited into the Cannabis Regulation Fund.

24 (2) For an agent identification card, \$100, to be
25 deposited into the Cannabis Regulation Fund.

1 (e) If a dispensing organization fails to renew its license
2 before expiration, the dispensing organization shall cease
3 operations until the license is renewed.

4 (f) If a dispensing organization agent fails to renew his
5 or her registration before its expiration, he or she shall
6 cease to perform duties authorized by this Article at a
7 dispensing organization until his or her registration is
8 renewed.

9 (g) Any dispensing organization that continues to operate
10 or dispensing agent that continues to perform duties authorized
11 by this Article at a dispensing organization that fails to
12 renew its license is subject to penalty as provided in this
13 Article, or any rules that may be adopted pursuant to this
14 Article.

15 (h) The Department shall not renew a license if the
16 applicant is delinquent in filing any required tax returns or
17 paying any amounts owed to the State of Illinois. The
18 Department shall not renew a dispensing agent identification
19 card if the applicant is delinquent in filing any required tax
20 returns or paying any amounts owed to the State of Illinois.

21 Section 15-50. Disclosure of ownership and control.

22 (a) Each dispensing organization applicant and licensee
23 shall file and maintain a Table of Organization, Ownership and
24 Control with the Department. The Table of Organization,
25 Ownership and Control shall contain the information required by

1 this Section in sufficient detail to identify all owners,
2 directors, and principal officers, and the title of each
3 principal officer or business entity that, through direct or
4 indirect means, manages, owns, or controls the applicant or
5 licensee.

6 (b) The Table of Organization, Ownership and Control shall
7 identify the following information:

8 (1) The management structure, ownership, and control
9 of the applicant or license holder including the name of
10 each principal officer or business entity, the office or
11 position held, and the percentage ownership interest, if
12 any. If the business entity has a parent company, the name
13 of each owner, board member, and officer of the parent
14 company and his or her percentage ownership interest in the
15 parent company and the dispensing organization.

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

19 (c) If a business entity identified in subsection (b) is a
20 publicly traded company, the following information shall be
21 provided in the Table of Organization, Ownership and Control:

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

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

5 (d) A dispensing organization with a parent company or
6 companies, or partially owned or controlled by another entity
7 must disclose to the Department the relationship and all
8 owners, board members, officers, or individuals with control or
9 management of those entities. A dispensing organization shall
10 not shield its ownership or control from the Department.

11 (e) All principal officers must submit a complete online
12 application with the Department within 14 days of the
13 dispensing organization being licensed by the Department or
14 within 14 days of Department notice of approval as a new
15 principal officer.

16 (f) A principal officer may not allow his or her
17 registration to expire.

18 (g) A dispensing organization separating with a principal
19 officer must do so under this Act. The principal officer must
20 communicate the separation to the Department within 5 business
21 days.

22 (h) A principal officer not in compliance with the
23 requirements of this Act shall be removed from his or her
24 position with the dispensing organization or shall otherwise
25 terminate his or her affiliation. Failure to do so may subject
26 the dispensing organization to discipline, suspension, or

1 revocation of its license by the Department.

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

9 Section 15-55. Financial responsibility. Evidence of
10 financial responsibility is a requirement for the issuance,
11 maintenance, or reactivation of a license under this Article.
12 Evidence of financial responsibility shall be used to guarantee
13 that the dispensing organization timely and successfully
14 completes dispensary construction, operates in a manner that
15 provides an uninterrupted supply of cannabis, faithfully pays
16 registration renewal fees, keeps accurate books and records,
17 makes regularly required reports, complies with State tax
18 requirements, and conducts the dispensing organization in
19 conformity with this Act and rules. Evidence of financial
20 responsibility shall be provided by one of the following:

21 (1) Establishing and maintaining an escrow or surety
22 account in a financial institution in the amount of
23 \$50,000, with escrow terms, approved by the Department,
24 that it shall be payable to the Department in the event of
25 circumstances outlined in this Act and rules.

1 (A) A financial institution may not return money in
2 an escrow or surety account to the dispensing
3 organization that established the account or a
4 representative of the organization unless the
5 organization or representative presents a statement
6 issued by the Department indicating that the account
7 may be released.

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

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

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

26 (B) The bond must be written on a form approved by

1 the Department.

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

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

12 Section 15-60. Changes to a dispensing organization.

13 (a) A license shall be issued to the specific dispensing
14 organization identified on the application and for the specific
15 location proposed. The license is valid only as designated on
16 the license and for the location for which it is issued.

17 (b) A dispensing organization may only add principal
18 officers after being approved by the Department.

19 (c) A dispensing organization shall provide written notice
20 of the removal of a principal officer within 5 business days
21 after removal. The notice shall include the written agreement
22 of the principal officer being removed, unless otherwise
23 approved by the Department, and allocation of ownership shares
24 after removal in an updated ownership chart.

25 (d) A dispensing organization shall provide a written

1 request to the Department for the addition of principal
2 officers. A dispensing organization shall submit proposed
3 principal officer applications on forms approved by the
4 Department.

5 (e) All proposed new principal officers shall be subject to
6 the requirements of this Act, this Article, and any rules that
7 may be adopted pursuant to this Act.

8 (f) The Department may prohibit the addition of a principal
9 officer to a dispensing organization for failure to comply with
10 this Act, this Article, and any rules that may be adopted
11 pursuant to this Act.

12 (g) A dispensing organization may not assign a license.

13 (h) A dispensing organization may not transfer a license
14 without prior Department approval. Such approval may be
15 withheld if the person to whom the license is being transferred
16 does not commit to the same or a similar community engagement
17 plan provided as part of the dispensing organization's
18 application under paragraph (18) of subsection (d) of Section
19 15-25, and such transferee's license shall be conditional upon
20 that commitment.

21 (i) With the addition or removal of principal officers, the
22 Department will review the ownership structure to determine
23 whether the change in ownership has had the effect of a
24 transfer of the license. The dispensing organization shall
25 supply all ownership documents requested by the Department.

26 (j) A dispensing organization may apply to the Department

1 to approve a sale of the dispensing organization. A request to
2 sell the dispensing organization must be on application forms
3 provided by the Department. A request for an approval to sell a
4 dispensing organization must comply with the following:

5 (1) New application materials shall comply with this
6 Act and any rules that may be adopted pursuant to this Act;

7 (2) Application materials shall include a change of
8 ownership fee of \$5,000 to be deposited into the Cannabis
9 Regulation Fund;

10 (3) The application materials shall provide proof that
11 the transfer of ownership will not have the effect of
12 granting any of the owners or principal officers direct or
13 indirect ownership or control of more than 10 adult use
14 dispensing organization licenses;

15 (4) New principal officers shall each complete the
16 proposed new principal officer application;

17 (5) If the Department approves the application
18 materials and proposed new principal officer applications,
19 it will perform an inspection before approving the sale and
20 issuing the dispensing organization license;

21 (6) If a new license is approved, the Department will
22 issue a new license number and certificate to the new
23 dispensing organization.

24 (k) The dispensing organization shall provide the
25 Department with the personal information for all new dispensing
26 organizations agents as required in this Article and all new

1 dispensing organization agents shall be subject to the
2 requirements of this Article. A dispensing organization agent
3 must obtain an agent identification card from the Department
4 before beginning work at a dispensary.

5 (1) Before remodeling, expansion, reduction, or other
6 physical, noncosmetic alteration of a dispensary, the
7 dispensing organization must notify the Department and confirm
8 the alterations are in compliance with this Act and any rules
9 that may be adopted pursuant to this Act.

10 Section 15-65. Administration.

11 (a) A dispensing organization shall establish, maintain,
12 and comply with written policies and procedures as submitted in
13 the Business, Financial and Operating plan as required in this
14 Article or by rules established by the Department, and approved
15 by the Department, for the security, storage, inventory, and
16 distribution of cannabis. These policies and procedures shall
17 include methods for identifying, recording, and reporting
18 diversion, theft, or loss, and for correcting errors and
19 inaccuracies in inventories. At a minimum, dispensing
20 organizations shall ensure the written policies and procedures
21 provide for the following:

22 (1) Mandatory and voluntary recalls of cannabis
23 products. The policies shall be adequate to deal with
24 recalls due to any action initiated at the request of the
25 Department and any voluntary action by the dispensing

1 organization to remove defective or potentially defective
2 cannabis from the market or any action undertaken to
3 promote public health and safety, including:

4 (i) A mechanism reasonably calculated to contact
5 purchasers who have, or likely have, obtained the
6 product from the dispensary, including information on
7 the policy for return of the recalled product;

8 (ii) A mechanism to identify and contact the adult
9 use cultivation center, craft grower, or infuser that
10 manufactured the cannabis;

11 (iii) Policies for communicating with the
12 Department, the Department of Agriculture, and the
13 Department of Public Health within 24 hours of
14 discovering defective or potentially defective
15 cannabis; and

16 (iv) Policies for destruction of any recalled
17 cannabis product;

18 (2) Responses to local, State, or national
19 emergencies, including natural disasters, that affect the
20 security or operation of a dispensary;

21 (3) Segregation and destruction of outdated, damaged,
22 deteriorated, misbranded, or adulterated cannabis. This
23 procedure shall provide for written documentation of the
24 cannabis disposition;

25 (4) Ensure the oldest stock of a cannabis product is
26 distributed first. The procedure may permit deviation from

1 this requirement, if such deviation is temporary and
2 appropriate;

3 (5) Training of dispensing organization agents in the
4 provisions of this Act and rules, to effectively operate
5 the point-of-sale system and the State's verification
6 system, proper inventory handling and tracking, specific
7 uses of cannabis or cannabis-infused products, instruction
8 regarding regulatory inspection preparedness and law
9 enforcement interaction, awareness of the legal
10 requirements for maintaining status as an agent, and other
11 topics as specified by the dispensing organization or the
12 Department. The dispensing organization shall maintain
13 evidence of all training provided to each agent in its
14 files that is subject to inspection and audit by the
15 Department. The dispensing organization shall ensure
16 agents receive a minimum of 8 hours of training subject to
17 the requirements in subsection (i) of Section 15-40
18 annually, unless otherwise approved by the Department;

19 (6) Maintenance of business records consistent with
20 industry standards, including bylaws, consents, manual or
21 computerized records of assets and liabilities, audits,
22 monetary transactions, journals, ledgers, and supporting
23 documents, including agreements, checks, invoices,
24 receipts, and vouchers. Records shall be maintained in a
25 manner consistent with this Act and shall be retained for 5
26 years;

- 1 (7) Inventory control, including:
- 2 (i) Tracking purchases and denials of sale;
- 3 (ii) Disposal of unusable or damaged cannabis as
- 4 required by this Act and rules; and
- 5 (8) Purchaser education and support, including:
- 6 (i) Whether possession of cannabis is illegal
- 7 under federal law;
- 8 (ii) Current educational information issued by the
- 9 Department of Public Health about the health risks
- 10 associated with the use or abuse of cannabis;
- 11 (iii) Information about possible side effects;
- 12 (iv) Prohibition on smoking cannabis in public
- 13 places; and
- 14 (v) Offering any other appropriate purchaser
- 15 education or support materials.
- 16 (b) BLANK.
- 17 (c) A dispensing organization shall maintain copies of the
- 18 policies and procedures on the dispensary premises and provide
- 19 copies to the Department upon request. The dispensing
- 20 organization shall review the dispensing organization policies
- 21 and procedures at least once every 12 months from the issue
- 22 date of the license and update as needed due to changes in
- 23 industry standards or as requested by the Department.
- 24 (d) A dispensing organization shall ensure that each
- 25 principal officer and each dispensing organization agent has a
- 26 current agent identification card in the agent's immediate

1 possession when the agent is at the dispensary.

2 (e) A dispensing organization shall provide prompt written
3 notice to the Department, including the date of the event, when
4 a dispensing organization agent no longer is employed by the
5 dispensing organization.

6 (f) A dispensing organization shall promptly document and
7 report any loss or theft of cannabis from the dispensary to the
8 Department of State Police and the Department. It is the duty
9 of any dispensing organization agent who becomes aware of the
10 loss or theft to report it as provided in this Article.

11 (g) A dispensing organization shall post the following
12 information in a conspicuous location in an area of the
13 dispensary accessible to consumers:

14 (1) The dispensing organization's license;

15 (2) The hours of operation.

16 (h) Signage that shall be posted inside the premises.

17 (1) All dispensing organizations must display a
18 placard that states the following: "Cannabis consumption
19 can impair cognition and driving, is for adult use only,
20 may be habit forming, and should not be used by pregnant or
21 breastfeeding women."

22 (2) Any dispensing organization that sells edible
23 cannabis-infused products must display a placard that
24 states the following:

25 (A) "Edible cannabis-infused products were
26 produced in a kitchen that may also process common food

1 allergens."; and

2 (B) "The effects of cannabis products can vary from
3 person to person, and it can take as long as two hours
4 to feel the effects of some cannabis-infused products.
5 Carefully review the portion size information and
6 warnings contained on the product packaging before
7 consuming."

8 (3) All of the required signage in this subsection (h)
9 shall be no smaller than 24 inches tall by 36 inches wide,
10 with typed letters no smaller than 2 inches. The signage
11 shall be clearly visible and readable by customers. The
12 signage shall be placed in the area where cannabis and
13 cannabis-infused products are sold and may be translated
14 into additional languages as needed. The Department may
15 require a dispensary to display the required signage in a
16 different language, other than English, if the Secretary
17 deems it necessary.

18 (i) A dispensing organization shall prominently post
19 notices inside the dispensing organization that state
20 activities that are strictly prohibited and punishable by law,
21 including, but not limited to:

22 (1) No minors permitted on the premises unless the
23 minor is a minor qualifying patient under the Compassionate
24 Use of Medical Cannabis Pilot Program Act;

25 (2) Distribution to persons under the age of 21 is
26 prohibited;

1 (3) Transportation of cannabis or cannabis products
2 across state lines is prohibited.

3 Section 15-70. Operational requirements; prohibitions.

4 (a) A dispensing organization shall operate in accordance
5 with the representations made in its application and license
6 materials. It shall be in compliance with this Act and rules.

7 (b) A dispensing organization must include the legal name
8 of the dispensary on the packaging of any cannabis product it
9 sells.

10 (c) All cannabis, cannabis-infused products, and cannabis
11 seeds must be obtained from an Illinois registered adult use
12 cultivation center, craft grower, infuser, or another
13 dispensary.

14 (d) Dispensing organizations are prohibited from selling
15 any product containing alcohol except tinctures, which must be
16 limited to containers that are no larger than 100 milliliters.

17 (e) A dispensing organization shall inspect and count
18 product received by the adult use cultivation center before
19 dispensing it.

20 (f) A dispensing organization may only accept cannabis
21 deliveries into a restricted access area. Deliveries may not be
22 accepted through the public or limited access areas unless
23 otherwise approved by the Department.

24 (g) A dispensing organization shall maintain compliance
25 with State and local building, fire, and zoning requirements or

1 regulations.

2 (h) A dispensing organization shall submit a list to the
3 Department of the names of all service professionals that will
4 work at the dispensary. The list shall include a description of
5 the type of business or service provided. Changes to the
6 service professional list shall be promptly provided. No
7 service professional shall work in the dispensary until the
8 name is provided to the Department on the service professional
9 list.

10 (i) A dispensing organization's license allows for a
11 dispensary to be operated only at a single location.

12 (j) A dispensary may operate between 6 a.m. and 10 p.m.
13 local time.

14 (k) A dispensing organization must keep all lighting
15 outside and inside the dispensary in good working order and
16 wattage sufficient for security cameras.

17 (l) A dispensing organization shall ensure that any
18 building or equipment used by a dispensing organization for the
19 storage or sale of cannabis is maintained in a clean and
20 sanitary condition.

21 (m) The dispensary shall be free from infestation by
22 insects, rodents, or pests.

23 (n) A dispensing organization shall not:

24 (1) Produce or manufacture cannabis;

25 (2) Accept a cannabis product from an adult use
26 cultivation center, craft grower, infuser, dispensing

1 organization, or transporting organization unless it is
2 pre-packaged and labeled in accordance with this Act and
3 any rules that may be adopted pursuant to this Act;

4 (3) Obtain cannabis or cannabis-infused products from
5 outside the State of Illinois;

6 (4) Sell cannabis or cannabis-infused products to a
7 purchaser unless the dispensary organization is licensed
8 under the Compassionate Use of Medical Cannabis Pilot
9 Program, and the individual is registered under the
10 Compassionate Use of Medical Cannabis Pilot Program or the
11 purchaser has been verified to be over the age of 21;

12 (5) Enter into an exclusive agreement with any adult
13 use cultivation center, craft grower, or infuser.
14 Dispensaries shall provide consumers an assortment of
15 products from various cannabis business establishment
16 licensees such that the inventory available for sale at any
17 dispensary from any single cultivation center, craft
18 grower, processor, or infuser entity shall not be more than
19 40% of the total inventory available for sale. For the
20 purpose of this subsection, a cultivation center, craft
21 grower, processor, or infuser shall be considered part of
22 the same entity if the licensees share at least one
23 principal officer. The Department may request that a
24 dispensary diversify its products as needed or otherwise
25 discipline a dispensing organization for violating this
26 requirement;

1 (6) Refuse to conduct business with an adult use
2 cultivation center, craft grower, transporting
3 organization, or infuser that has the ability to properly
4 deliver the product and is permitted by the Department of
5 Agriculture, on the same terms as other adult use
6 cultivation centers, craft growers, infusers, or
7 transporters with whom it is dealing;

8 (7) Operate drive-through windows;

9 (8) Allow for the dispensing of cannabis or
10 cannabis-infused products in vending machines;

11 (9) Transport cannabis to residences or other
12 locations where purchasers may be for delivery;

13 (10) Enter into agreements to allow persons who are not
14 dispensing organization agents to deliver cannabis or to
15 transport cannabis to purchasers.

16 (11) Operate a dispensary if its video surveillance
17 equipment is inoperative;

18 (12) Operate a dispensary if the point-of-sale
19 equipment is inoperative;

20 (13) Operate a dispensary if the State's cannabis
21 electronic verification system is inoperative;

22 (14) Have fewer than 2 people working at the dispensary
23 at any time while the dispensary is open;

24 (15) Be located within 1,500 feet of the property line
25 of a pre-existing dispensing organization;

26 (16) Sell clones or any other live plant material;

1 (17) Sell cannabis, cannabis concentrate, or
2 cannabis-infused products in combination or bundled with
3 each other or any other items for one price, and each item
4 of cannabis, concentrate, or cannabis-infused product must
5 be separately identified by quantity and price on the
6 receipt;

7 (18) Violate any other requirements or prohibitions
8 set by Department rules.

9 (o) It is unlawful for any person having an Early Approval
10 Adult Use Cannabis Dispensing Organization License, a
11 Conditional Adult Use Cannabis Dispensing Organization, an
12 Adult Use Dispensing Organization License, or a medical
13 cannabis dispensing organization license issued under the
14 Compassionate Use of Medical Cannabis Pilot Program or any
15 officer, associate, member, representative, or agent of such
16 licensee to accept, receive, or borrow money or anything else
17 of value or accept or receive credit (other than merchandising
18 credit in the ordinary course of business for a period not to
19 exceed 30 days) directly or indirectly from any adult use
20 cultivation center, craft grower, infuser, or transporting
21 organization. This includes anything received or borrowed or
22 from any stockholders, officers, agents, or persons connected
23 with an adult use cultivation center, craft grower, infuser, or
24 transporting organization. This also excludes any received or
25 borrowed in exchange for preferential placement by the
26 dispensing organization, including preferential placement on

1 the dispensing organization's shelves, display cases, or
2 website.

3 (p) It is unlawful for any person having an Early Approval
4 Adult Use Cannabis Dispensing Organization License, a
5 Conditional Adult Use Cannabis Dispensing Organization, an
6 Adult Use Dispensing Organization License, or a medical
7 cannabis dispensing organization license issued under the
8 Compassionate Use of Medical Cannabis Pilot Program to enter
9 into any contract with any person licensed to cultivate,
10 process, or transport cannabis whereby such dispensary
11 organization agrees not to sell any cannabis cultivated,
12 processed, transported, manufactured, or distributed by any
13 other cultivator, transporter, or infuser, and any provision in
14 any contract violative of this Section shall render the whole
15 of such contract void and no action shall be brought thereon in
16 any court.

17 Section 15-75. Inventory control system.

18 (a) A dispensing organization agent-in-charge shall have
19 primary oversight of the dispensing organization's cannabis
20 inventory verification system, and its point-of-sale system.
21 The inventory point-of-sale system shall be real-time,
22 web-based, and accessible by the Department at any time. The
23 point-of-sale system shall track, at a minimum the date of
24 sale, amount, price, and currency.

25 (b) A dispensing organization shall establish an account

1 with the State's verification system that documents:

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

5 (2) Acquisition of cannabis and cannabis-infused
6 products from a licensed adult use cultivation center,
7 craft grower, infuser, or transporter, including:

8 (i) A description of the products, including the
9 quantity, strain, variety, and batch number of each
10 product received;

11 (ii) The name and registry identification number
12 of the licensed adult use cultivation center, craft
13 grower, or infuser providing the cannabis and
14 cannabis-infused products;

15 (iii) The name and registry identification number
16 of the licensed adult use cultivation center, craft
17 grower, infuser, or transportation agent delivering
18 the cannabis;

19 (iv) The name and registry identification number
20 of the dispensing organization agent receiving the
21 cannabis; and

22 (v) The date of acquisition.

23 (3) The disposal of cannabis, including:

24 (i) A description of the products, including the
25 quantity, strain, variety, batch number, and reason
26 for the cannabis being disposed;

1 (ii) The method of disposal; and

2 (iii) The date and time of disposal.

3 (c) Upon cannabis delivery, a dispensing organization
4 shall confirm the product's name, strain name, weight, and
5 identification number on the manifest matches the information
6 on the cannabis product label and package. The product name
7 listed and the weight listed in the State's verification system
8 shall match the product packaging.

9 (d) The agent-in-charge shall conduct daily inventory
10 reconciliation documenting and balancing cannabis inventory by
11 confirming the State's verification system matches the
12 dispensing organization's point-of-sale system and the amount
13 of physical product at the dispensary.

14 (1) A dispensing organization must receive Department
15 approval before completing an inventory adjustment. It
16 shall provide a detailed reason for the adjustment.
17 Inventory adjustment documentation shall be kept at the
18 dispensary for 2 years from the date performed.

19 (2) If the dispensing organization identifies an
20 imbalance in the amount of cannabis after the daily
21 inventory reconciliation due to mistake, the dispensing
22 organization shall determine how the imbalance occurred
23 and immediately upon discovery take and document
24 corrective action. If the dispensing organization cannot
25 identify the reason for the mistake within 2 calendar days
26 after first discovery, it shall inform the Department

1 immediately in writing of the imbalance and the corrective
2 action taken to date. The dispensing organization shall
3 work diligently to determine the reason for the mistake.

4 (3) If the dispensing organization identifies an
5 imbalance in the amount of cannabis after the daily
6 inventory reconciliation or through other means due to
7 theft, criminal activity, or suspected criminal activity,
8 the dispensing organization shall immediately determine
9 how the reduction occurred and take and document corrective
10 action. Within 24 hours after the first discovery of the
11 reduction due to theft, criminal activity, or suspected
12 criminal activity, the dispensing organization shall
13 inform the Department and the Department of State Police in
14 writing.

15 (4) The dispensing organization shall file an annual
16 compilation report with the Department, including a
17 financial statement that shall include, but not be limited
18 to, an income statement, balance sheet, profit and loss
19 statement, statement of cash flow, wholesale cost and
20 sales, and any other documentation requested by the
21 Department in writing. The financial statement shall
22 include any other information the Department deems
23 necessary in order to effectively administer this Act and
24 all rules, orders, and final decisions promulgated under
25 this Act. Statements required by this Section shall be
26 filed with the Department within 60 days after the end of

1 the calendar year. The compilation report shall include a
2 letter authored by a licensed certified public accountant
3 that it has been reviewed and is accurate based on the
4 information provided. The dispensing organization,
5 financial statement, and accompanying documents are not
6 required to be audited unless specifically requested by the
7 Department.

8 (e) A dispensing organization shall:

9 (1) Maintain the documentation required in this
10 Section in a secure locked location at the dispensing
11 organization for 5 years from the date on the document;

12 (2) Provide any documentation required to be
13 maintained in this Section to the Department for review
14 upon request; and

15 (3) If maintaining a bank account, retain for a period
16 of 5 years a record of each deposit or withdrawal from the
17 account.

18 (f) If a dispensing organization chooses to have a return
19 policy for cannabis and cannabis products, the dispensing
20 organization shall seek prior approval from the Department.

21 Section 15-80. Storage requirements.

22 (a) Authorized on-premises storage. A dispensing
23 organization must store inventory on its premises. All
24 inventory stored on the premises must be secured in a
25 restricted access area and tracked consistently with the

1 inventory tracking rules.

2 (b) A dispensary shall be of suitable size and construction
3 to facilitate cleaning, maintenance, and proper operations.

4 (c) A dispensary shall maintain adequate lighting,
5 ventilation, temperature, humidity control, and equipment.

6 (d) Containers storing cannabis that have been tampered
7 with, damaged, or opened shall be labeled with the date opened
8 and quarantined from other cannabis products in the vault until
9 they are disposed.

10 (e) Cannabis that was tampered with, expired, or damaged
11 shall not be stored at the premises for more than 7 calendar
12 days.

13 (f) Cannabis samples shall be in a sealed container.
14 Samples shall be maintained in the restricted access area.

15 (g) The dispensary storage areas shall be maintained in
16 accordance with the security requirements in this Act and
17 rules.

18 (h) Cannabis must be stored at appropriate temperatures and
19 under appropriate conditions to help ensure that its packaging,
20 strength, quality, and purity are not adversely affected.

21 Section 15-85. Dispensing cannabis.

22 (a) Before a dispensing organization agent dispenses
23 cannabis to a purchaser, the agent shall:

24 (1) Verify the age of the purchaser by checking a
25 government-issued identification card by use of an

1 electronic reader or electronic scanning device to scan a
2 purchaser's government-issued identification, if
3 applicable, to determine the purchaser's age and the
4 validity of the identification;

5 (2) Verify the validity of the government-issued
6 identification card;

7 (3) Offer any appropriate purchaser education or
8 support materials;

9 (4) Enter the following information into the State's
10 cannabis electronic verification system:

11 (i) The dispensing organization agent's
12 identification number;

13 (ii) The dispensing organization's identification
14 number;

15 (iii) The amount, type (including strain, if
16 applicable) of cannabis or cannabis-infused product
17 dispensed;

18 (iv) The date and time the cannabis was dispensed.

19 (b) A dispensing organization shall refuse to sell cannabis
20 or cannabis-infused products to any person unless the person
21 produces a valid identification showing that the person is 21
22 years of age or older. A medical cannabis dispensing
23 organization may sell cannabis or cannabis-infused products to
24 a person who is under 21 years of age if the sale complies with
25 the provisions of the Compassionate Use of Medical Cannabis
26 Pilot Program Act and rules.

1 (c) For the purposes of this Section, valid identification
2 must:

3 (1) Be valid and unexpired;

4 (2) Contain a photograph and the date of birth of the
5 person.

6 Section 15-90. Destruction and disposal of cannabis.

7 (a) Cannabis and cannabis-infused products must be
8 destroyed by rendering them unusable using methods approved by
9 the Department that comply with this Act and rules.

10 (b) Cannabis waste rendered unusable must be promptly
11 disposed according to this Act and rules. Disposal of the
12 cannabis waste rendered unusable may be delivered to a
13 permitted solid waste facility for final disposition.
14 Acceptable permitted solid waste facilities include, but are
15 not limited to:

16 (1) Compostable mixed waste: Compost, anaerobic
17 digester, or other facility with approval of the
18 jurisdictional health department.

19 (2) Noncompostable mixed waste: Landfill, incinerator,
20 or other facility with approval of the jurisdictional
21 health department.

22 (c) All waste and unusable product shall be weighed,
23 recorded, and entered into the inventory system before
24 rendering it unusable. All waste and unusable cannabis
25 concentrates and cannabis-infused products shall be recorded

1 and entered into the inventory system before rendering it
2 unusable. Verification of this event shall be performed by an
3 agent-in-charge and conducted in an area with video
4 surveillance.

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

7 Section 15-95. Agent-in-charge.

8 (a) Every dispensing organization shall designate, at a
9 minimum, one agent-in-charge for each licensed dispensary. The
10 designated agent-in-charge must hold a dispensing organization
11 agent identification card. Maintaining an agent-in-charge is a
12 continuing requirement for the license, except as provided in
13 subsection (f).

14 (b) The agent-in-charge shall be a principal officer or a
15 full-time agent of the dispensing organization and shall manage
16 the dispensary. Managing the dispensary includes, but is not
17 limited to, responsibility for opening and closing the
18 dispensary, delivery acceptance, oversight of sales and
19 dispensing organization agents, recordkeeping, inventory,
20 dispensing organization agent training, and compliance with
21 this Act and rules. Participation in affairs also includes the
22 responsibility for maintaining all files subject to audit or
23 inspection by the Department at the dispensary.

24 (c) The agent-in-charge is responsible for promptly
25 notifying the Department of any change of information required

1 to be reported to the Department.

2 (d) In determining whether an agent-in-charge manages the
3 dispensary, the Department may consider the responsibilities
4 identified in this Section, the number of dispensing
5 organization agents under the supervision of the
6 agent-in-charge, and the employment relationship between the
7 agent-in-charge and the dispensing organization, including the
8 existence of a contract for employment and any other relevant
9 fact or circumstance.

10 (e) The agent-in-charge is responsible for notifying the
11 Department of a change in the employment status of all
12 dispensing organization agents within 5 business days after the
13 change, including notice to the Department if the termination
14 of an agent was for diversion of product or theft of currency.

15 (f) In the event of the separation of an agent-in-charge
16 due to death, incapacity, termination, or any other reason and
17 if the dispensary does not have an active agent-in-charge, the
18 dispensing organization shall immediately contact the
19 Department and request a temporary certificate of authority
20 allowing the continuing operation. The request shall include
21 the name of an interim agent-in-charge until a replacement is
22 identified, or shall include the name of the replacement. The
23 Department shall issue the temporary certificate of authority
24 promptly after it approves the request. If a dispensing
25 organization fails to promptly request a temporary certificate
26 of authority after the separation of the agent-in-charge, its

1 registration shall cease until the Department approves the
2 temporary certificate of authority or registers a new
3 agent-in-charge. No temporary certificate of authority shall
4 be valid for more than 90 days. The succeeding agent-in-charge
5 shall register with the Department in compliance with this
6 Article. Once the permanent succeeding agent-in-charge is
7 registered with the Department, the temporary certificate of
8 authority is void. No temporary certificate of authority shall
9 be issued for the separation of an agent-in-charge due to
10 disciplinary action by the Department related to his or her
11 conduct on behalf of the dispensing organization.

12 (g) The dispensing organization agent-in-charge
13 registration shall expire one year from the date it is issued.
14 The agent-in-charge's registration shall be renewed annually.
15 The Department shall review the dispensing organization's
16 compliance history when determining whether to grant the
17 request to renew.

18 (h) Upon termination of an agent-in-charge's employment,
19 the dispensing organization shall immediately reclaim the
20 dispensing agent identification card. The dispensing
21 organization shall promptly return the identification card to
22 the Department.

23 (i) The Department may deny an application or renewal or
24 discipline or revoke an agent-in-charge identification card
25 for any of the following reasons:

26 (1) Submission of misleading, incorrect, false, or

1 fraudulent information in the application or renewal
2 application;

3 (2) Violation of the requirements of this Act or rules;

4 (3) Fraudulent use of the agent-in-charge
5 identification card;

6 (4) Selling, distributing, transferring in any manner,
7 or giving cannabis to any unauthorized person;

8 (5) Theft of cannabis, currency, or any other items
9 from a dispensary.

10 (6) Tampering with, falsifying, altering, modifying,
11 or duplicating an agent-in-charge identification card;

12 (7) Tampering with, falsifying, altering, or modifying
13 the surveillance video footage, point-of-sale system, or
14 the State's verification system;

15 (8) Failure to notify the Department immediately upon
16 discovery that the agent-in-charge identification card has
17 been lost, stolen, or destroyed;

18 (9) Failure to notify the Department within 5 business
19 days after a change in the information provided in the
20 application for an agent-in-charge identification card;

21 (10) Conviction of a felony offense in accordance with
22 Sections 2105-131, 2105-135, and 2105-205 of the
23 Department of Professional Regulation Law of the Civil
24 Administrative Code of Illinois or any incident listed in
25 this Act or rules following the issuance of an
26 agent-in-charge identification card;

1 (11) Dispensing to purchasers in amounts above the
2 limits provided in this Act; or

3 (12) Delinquency in filing any required tax returns or
4 paying any amounts owed to the State of Illinois

5 Section 15-100. Security.

6 (a) A dispensing organization shall implement security
7 measures to deter and prevent entry into and theft of cannabis
8 or currency.

9 (b) A dispensing organization shall submit any changes to
10 the floor plan or security plan to the Department for
11 pre-approval. All cannabis shall be maintained and stored in a
12 restricted access area during construction.

13 (c) The dispensing organization shall implement security
14 measures to protect the premises, purchasers, and dispensing
15 organization agents including, but not limited to the
16 following:

17 (1) Establish a locked door or barrier between the
18 facility's entrance and the limited access area;

19 (2) Prevent individuals from remaining on the premises
20 if they are not engaging in activity permitted by this Act
21 or rules;

22 (3) Develop a policy that addresses the maximum
23 capacity and purchaser flow in the waiting rooms and
24 limited access areas;

25 (4) Dispose of cannabis in accordance with this Act and

1 rules;

2 (5) During hours of operation, store and dispense all
3 cannabis from the restricted access area. During
4 operational hours, cannabis shall be stored in an enclosed
5 locked room or cabinet and accessible only to specifically
6 authorized dispensing organization agents;

7 (6) When the dispensary is closed, store all cannabis
8 and currency in a reinforced vault room in the restricted
9 access area and in a manner as to prevent diversion, theft,
10 or loss;

11 (7) Keep the reinforced vault room and any other
12 equipment or cannabis storage areas securely locked and
13 protected from unauthorized entry;

14 (8) Keep an electronic daily log of dispensing
15 organization agents with access to the reinforced vault
16 room and knowledge of the access code or combination;

17 (9) Keep all locks and security equipment in good
18 working order;

19 (10) Maintain an operational security and alarm system
20 at all times;

21 (11) Prohibit keys, if applicable, from being left in
22 the locks, or stored or placed in a location accessible to
23 persons other than specifically authorized personnel;

24 (12) Prohibit accessibility of security measures,
25 including combination numbers, passwords, or electronic or
26 biometric security systems to persons other than

1 specifically authorized dispensing organization agents;

2 (13) Ensure that the dispensary interior and exterior
3 premises are sufficiently lit to facilitate surveillance;

4 (14) Ensure that trees, bushes, and other foliage
5 outside of the dispensary premises do not allow for a
6 person or persons to conceal themselves from sight;

7 (15) Develop emergency policies and procedures for
8 securing all product and currency following any instance of
9 diversion, theft, or loss of cannabis, and conduct an
10 assessment to determine whether additional safeguards are
11 necessary; and

12 (16) Develop sufficient additional safeguards in
13 response to any special security concerns, or as required
14 by the Department.

15 (d) The Department may request or approve alternative
16 security provisions that it determines are an adequate
17 substitute for a security requirement specified in this
18 Article. Any additional protections may be considered by the
19 Department in evaluating overall security measures.

20 (e) A dispensary organization may share premises with a
21 craft grower or an infuser organization, or both, provided each
22 licensee stores currency and cannabis or cannabis-infused
23 products in a separate secured vault to which the other
24 licensee does not have access or all licensees sharing a vault
25 share more than 50% of the same ownership.

26 (f) A dispensing organization shall provide additional

1 security as needed and in a manner appropriate for the
2 community where it operates.

3 (g) Restricted access areas.

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

9 (2) All restricted access areas shall be clearly
10 described in the floor plan of the premises, in the form
11 and manner determined by the Department, reflecting walls,
12 partitions, counters, and all areas of entry and exit. The
13 floor plan shall show all storage, disposal, and retail
14 sales areas.

15 (3) All restricted access areas must be secure, with
16 locking devices that prevent access from the limited access
17 areas.

18 (h) Security and alarm.

19 (1) A dispensing organization shall have an adequate
20 security plan and security system to prevent and detect
21 diversion, theft, or loss of cannabis, currency, or
22 unauthorized intrusion using commercial grade equipment
23 installed by an Illinois licensed private alarm contractor
24 or private alarm contractor agency that shall, at a
25 minimum, include:

26 (i) A perimeter alarm on all entry points and glass

1 break protection on perimeter windows;

2 (ii) Security shatterproof tinted film on exterior
3 windows;

4 (iii) A failure notification system that provides
5 an audible, text, or visual notification of any failure
6 in the surveillance system, including, but not limited
7 to, panic buttons, alarms, and video monitoring
8 system. The failure notification system shall provide
9 an alert to designated dispensing organization agents
10 within 5 minutes after the failure, either by telephone
11 or text message;

12 (iv) A duress alarm, panic button, and alarm, or
13 holdup alarm and after-hours intrusion detection alarm
14 that by design and purpose will directly or indirectly
15 notify, by the most efficient means, the Public Safety
16 Answering Point for the law enforcement agency having
17 primary jurisdiction;

18 (v) Security equipment to deter and prevent
19 unauthorized entrance into the dispensary, including
20 electronic door locks on the limited and restricted
21 access areas that include devices or a series of
22 devices to detect unauthorized intrusion that may
23 include a signal system interconnected with a radio
24 frequency method, cellular, private radio signals or
25 other mechanical or electronic device.

26 (2) All security system equipment and recordings shall

1 be maintained in good working order, in a secure location
2 so as to prevent theft, loss, destruction, or alterations.

3 (3) Access to surveillance monitoring recording
4 equipment shall be limited to persons who are essential to
5 surveillance operations, law enforcement authorities
6 acting within their jurisdiction, security system service
7 personnel, and the Department. A current list of authorized
8 dispensing organization agents and service personnel that
9 have access to the surveillance equipment must be available
10 to the Department upon request.

11 (4) All security equipment shall be inspected and
12 tested at regular intervals, not to exceed one month from
13 the previous inspection, and tested to ensure the systems
14 remain functional.

15 (5) The security system shall provide protection
16 against theft and diversion that is facilitated or hidden
17 by tampering with computers or electronic records.

18 (6) The dispensary shall ensure all access doors are
19 not solely controlled by an electronic access panel to
20 ensure that locks are not released during a power outage.

21 (i) To monitor the dispensary, the dispensing organization
22 shall incorporate continuous electronic video monitoring
23 including the following:

24 (1) All monitors must be 19 inches or greater;

25 (2) Unobstructed video surveillance of all enclosed
26 dispensary areas, unless prohibited by law, including all

1 points of entry and exit that shall be appropriate for the
2 normal lighting conditions of the area under surveillance.
3 The cameras shall be directed so all areas are captured,
4 including, but not limited to, safes, vaults, sales areas,
5 and areas where cannabis is stored, handled, dispensed, or
6 destroyed. Cameras shall be angled to allow for facial
7 recognition, the capture of clear and certain
8 identification of any person entering or exiting the
9 dispensary area and in lighting sufficient during all times
10 of night or day;

11 (3) Unobstructed video surveillance of outside areas,
12 the storefront, and the parking lot, that shall be
13 appropriate for the normal lighting conditions of the area
14 under surveillance. Cameras shall be angled so as to allow
15 for the capture of facial recognition, clear and certain
16 identification of any person entering or exiting the
17 dispensary and the immediate surrounding area, and license
18 plates of vehicles in the parking lot;

19 (4) 24-hour recordings from all video cameras
20 available for immediate viewing by the Department upon
21 request. Recordings shall not be destroyed or altered and
22 shall be retained for at least 90 days. Recordings shall be
23 retained as long as necessary if the dispensing
24 organization is aware of the loss or theft of cannabis or a
25 pending criminal, civil, or administrative investigation
26 or legal proceeding for which the recording may contain

1 relevant information;

2 (5) The ability to immediately produce a clear, color
3 still photo from the surveillance video, either live or
4 recorded;

5 (6) A date and time stamp embedded on all video
6 surveillance recordings. The date and time shall be
7 synchronized and set correctly and shall not significantly
8 obscure the picture;

9 (7) The ability to remain operational during a power
10 outage and ensure all access doors are not solely
11 controlled by an electronic access panel to ensure that
12 locks are not released during a power outage;

13 (8) All video surveillance equipment shall allow for
14 the exporting of still images in an industry standard image
15 format, including .jpg, .bmp, and .gif. Exported video
16 shall have the ability to be archived in a proprietary
17 format that ensures authentication of the video and
18 guarantees that no alteration of the recorded image has
19 taken place. Exported video shall also have the ability to
20 be saved in an industry standard file format that can be
21 played on a standard computer operating system. All
22 recordings shall be erased or destroyed before disposal;

23 (9) The video surveillance system shall be operational
24 during a power outage with a 4-hour minimum battery backup;

25 (10) A video camera or cameras recording at each
26 point-of-sale location allowing for the identification of

1 the dispensing organization agent distributing the
2 cannabis and any purchaser. The camera or cameras shall
3 capture the sale, the individuals and the computer monitors
4 used for the sale;

5 (11) A failure notification system that provides an
6 audible and visual notification of any failure in the
7 electronic video monitoring system; and

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

13 (j) The requirements contained in this Act are minimum
14 requirements for operating a dispensing organization. The
15 Department may establish additional requirements by rule.

16 Section 15-110. Recordkeeping.

17 (a) Dispensing organization records must be maintained
18 electronically for 3 years and be available for inspection by
19 the Department upon request. Required written records include,
20 but are not limited to, the following:

21 (1) Operating procedures;

22 (2) Inventory records, policies, and procedures;

23 (3) Security records;

24 (4) Audit records;

25 (5) Staff training plans and completion documentation;

- 1 (6) Staffing plan; and
- 2 (7) Business records, including but not limited to:
- 3 (i) Assets and liabilities;
- 4 (ii) Monetary transactions;
- 5 (iii) Written or electronic accounts, including
- 6 bank statements, journals, ledgers, and supporting
- 7 documents, agreements, checks, invoices, receipts, and
- 8 vouchers; and
- 9 (iv) Any other financial accounts reasonably
- 10 related to the dispensary operations.

11 (b) Storage and transfer of records. If a dispensary closes

12 due to insolvency, revocation, bankruptcy, or for any other

13 reason, all records must be preserved at the expense of the

14 dispensing organization for at least 3 years in a form and

15 location in Illinois acceptable to the Department. The

16 dispensing organization shall keep the records longer if

17 requested by the Department. The dispensing organization shall

18 notify the Department of the location where the dispensary

19 records are stored or transferred.

20 Section 15-120. Closure of a dispensary.

21 (a) If a dispensing organization decides not to renew its

22 license or decides to close its business, it shall promptly

23 notify the Department not less than 3 months before the

24 effective date of the closing date or as otherwise authorized

25 by the Department.

1 (b) The dispensing organization shall work with the
2 Department to develop a closure plan that addresses, at a
3 minimum, the transfer of business records, transfer of cannabis
4 products, and anything else the Department finds necessary.

5 Section 15-125. Fees. After January 1, 2022, the Department
6 may by rule modify any fee established under this Article.

7 Section 15-135. Investigations.

8 (a) Dispensing organizations are subject to random and
9 unannounced dispensary inspections and cannabis testing by the
10 Department, the Department of State Police, and local law
11 enforcement.

12 (b) The Department and its authorized representatives may
13 enter any place, including a vehicle, in which cannabis is
14 held, stored, dispensed, sold, produced, delivered,
15 transported, manufactured, or disposed of and inspect, in a
16 reasonable manner, the place and all pertinent equipment,
17 containers and labeling, and all things including records,
18 files, financial data, sales data, shipping data, pricing data,
19 personnel data, research, papers, processes, controls, and
20 facility, and inventory any stock of cannabis and obtain
21 samples of any cannabis or cannabis-infused product, any labels
22 or containers for cannabis, or paraphernalia.

23 (c) The Department may conduct an investigation of an
24 applicant, application, dispensing organization, principal

1 officer, dispensary agent, third party vendor, or any other
2 party associated with a dispensing organization for an alleged
3 violation of this Act or rules or to determine qualifications
4 to be granted a registration by the Department.

5 (d) The Department may require an applicant or holder of
6 any license issued pursuant to this Article to produce
7 documents, records, or any other material pertinent to the
8 investigation of an application or alleged violations of this
9 Act or rules. Failure to provide the required material may be
10 grounds for denial or discipline.

11 (e) Every person charged with preparation, obtaining, or
12 keeping records, logs, reports, or other documents in
13 connection with this Act and rules and every person in charge,
14 or having custody, of those documents shall, upon request by
15 the Department, make the documents immediately available for
16 inspection and copying by the Department, the Department's
17 authorized representative, or others authorized by law to
18 review the documents.

19 Section 15-140. Citations. The Department may issue
20 nondisciplinary citations for minor violations. Any such
21 citation issued by the Department may be accompanied by a fee.
22 The fee shall not exceed \$20,000 per violation. The citation
23 shall be issued to the licensee and shall contain the
24 licensee's name and address, the licensee's license number, a
25 brief factual statement, the Sections of the law allegedly

1 violated, and the fee, if any, imposed. The citation must
2 clearly state that the licensee may choose, in lieu of
3 accepting the citation, to request a hearing. If the licensee
4 does not dispute the matter in the citation with the Department
5 within 30 days after the citation is served, then the citation
6 shall become final and not subject to appeal. The penalty shall
7 be a fee or other conditions as established by rule.

8 Section 15-145. Grounds for discipline.

9 (a) The Department may deny issuance, refuse to renew or
10 restore, or may reprimand, place on probation, suspend, revoke,
11 or take other disciplinary or nondisciplinary action against
12 any license or agent identification card or may impose a fine
13 for any of the following:

14 (1) Material misstatement in furnishing information to
15 the Department;

16 (2) Violations of this Act or rules;

17 (3) Obtaining an authorization or license by fraud or
18 misrepresentation;

19 (4) A pattern of conduct that demonstrates
20 incompetence or that the applicant has engaged in conduct
21 or actions that would constitute grounds for discipline
22 under the Act;

23 (5) Aiding or assisting another person in violating any
24 provision of this Act or rules;

25 (6) Failing to respond to a written request for

1 information by the Department within 30 days;

2 (7) Engaging in unprofessional, dishonorable, or
3 unethical conduct of a character likely to deceive,
4 defraud, or harm the public;

5 (8) Adverse action by another United States
6 jurisdiction or foreign nation;

7 (9) A finding by the Department that the licensee,
8 after having his or her license placed on suspended or
9 probationary status, has violated the terms of the
10 suspension or probation;

11 (10) Conviction, entry of a plea of guilty, nolo
12 contendere, or the equivalent in a State or federal court
13 of a principal officer or agent-in-charge of a felony
14 offense in accordance with Sections 2105-131, 2105-135,
15 and 2105-205 of the Department of Professional Regulation
16 Law of the Civil Administrative Code of Illinois;

17 (11) Excessive use or addiction to alcohol, narcotics,
18 stimulants, or any other chemical agent or drug;

19 (12) A finding by the Department of a discrepancy in a
20 Department audit of cannabis;

21 (13) A finding by the Department of a discrepancy in a
22 Department audit of capital or funds;

23 (14) A finding by the Department of acceptance of
24 cannabis from a source other than an Adult Use Cultivation
25 Center, craft grower, infuser, or transporting
26 organization licensed by the Department of Agriculture, or

1 a dispensing organization licensed by the Department;

2 (15) An inability to operate using reasonable
3 judgment, skill, or safety due to physical or mental
4 illness or other impairment or disability, including,
5 without limitation, deterioration through the aging
6 process or loss of motor skills or mental incompetence;

7 (16) Failing to report to the Department within the
8 time frames established, or if not identified, 14 days, of
9 any adverse action taken against the dispensing
10 organization or an agent by a licensing jurisdiction in any
11 state or any territory of the United States or any foreign
12 jurisdiction, any governmental agency, any law enforcement
13 agency or any court defined in this Section;

14 (17) Any violation of the dispensing organization's
15 policies and procedures submitted to the Department
16 annually as a condition for licensure;

17 (18) Failure to inform the Department of any change of
18 address within 10 business days;

19 (19) Disclosing customer names, personal information,
20 or protected health information in violation of any State
21 or federal law;

22 (20) Operating a dispensary before obtaining a license
23 from the Department;

24 (21) Performing duties authorized by this Act prior to
25 receiving a license to perform such duties;

26 (22) Dispensing cannabis when prohibited by this Act or

1 rules;

2 (23) Any fact or condition that, if it had existed at
3 the time of the original application for the license, would
4 have warranted the denial of the license;

5 (24) Permitting a person without a valid agent
6 identification card to perform licensed activities under
7 this Act;

8 (25) Failure to assign an agent-in-charge as required
9 by this Article;

10 (26) Failure to provide the training required by
11 paragraph (3) of subsection (i) of Section 15-40 within the
12 provided timeframe

13 (27) Personnel insufficient in number or unqualified
14 in training or experience to properly operate the
15 dispensary business;

16 (28) Any pattern of activity that causes a harmful
17 impact on the community; and

18 (29) Failing to prevent diversion, theft, or loss of
19 cannabis.

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

23 (c) A circuit court order establishing that an
24 agent-in-charge or principal officer holding an agent
25 identification card is subject to involuntary admission as that
26 term is defined in Section 1-119 or 1-119.1 of the Mental

1 Health and Developmental Disabilities Code shall operate as a
2 suspension of that card.

3 Section 15-150. Temporary suspension.

4 (a) The Secretary of Financial and Professional Regulation
5 may temporarily suspend a dispensing organization license or an
6 agent registration without a hearing if the Secretary finds
7 that public safety or welfare requires emergency action. The
8 Secretary shall cause the temporary suspension by issuing a
9 suspension notice in connection with the institution of
10 proceedings for a hearing.

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

17 (c) If the Department does not hold a hearing within 45 days
18 after the date the suspension notice was issued, then the
19 suspended license or registration shall be automatically
20 reinstated and the suspension vacated.

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

25 (e) Subsequently discovered causes of action by the

1 Department after the issuance of the suspension notice may be
2 filed as a separate notice of violation. The Department is not
3 precluded from filing a separate action against the suspended
4 licensee or agent.

5 Section 15-155. Consent to administrative supervision
6 order. In appropriate cases, the Department may resolve a
7 complaint against a licensee or agent through the issuance of a
8 consent order for administrative supervision. A license or
9 agent subject to a consent order shall be considered by the
10 Department to hold a license or registration in good standing.

11 Section 15-160. Notice; hearing.

12 (a) The Department shall, before disciplining an applicant
13 or licensee, at least 30 days before the date set for the
14 hearing: (i) notify the accused in writing of the charges made
15 and the time and place for the hearing on the charges; (ii)
16 direct him or her to file a written answer to the charges under
17 oath within 20 days after service; and (iii) inform the
18 applicant or licensee that failure to answer will result in a
19 default being entered against the applicant or licensee.

20 (b) At the time and place fixed in the notice, the hearing
21 officer appointed by the Secretary shall proceed to hear the
22 charges, and the parties or their counsel shall be accorded
23 ample opportunity to present any pertinent statements,
24 testimony, evidence, and arguments. The hearing officer may

1 continue the hearing from time to time. In case the person,
2 after receiving the notice, fails to file an answer, his or her
3 license may, in the discretion of the Secretary, having first
4 received the recommendation of the hearing officer, be
5 suspended, revoked, or placed on probationary status, or be
6 subject to whatever disciplinary action the Secretary
7 considers proper, including a fine, without hearing, if that
8 act or acts charged constitute sufficient grounds for that
9 action under this Act.

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

13 Section 15-165. Subpoenas; oaths. The Department shall
14 have the power to subpoena and bring before it any person and
15 to take testimony either orally or by deposition, or both, with
16 the same fees and mileage and in the same manner as prescribed
17 by law in judicial proceedings in civil cases in courts in this
18 State. The Secretary or the hearing officer shall each have the
19 power to administer oaths to witnesses at any hearings that the
20 Department is authorized to conduct.

21 Section 15-170. Hearing; motion for rehearing.

22 (a) The hearing officer shall hear evidence in support of
23 the formal charges and evidence produced by the licensee. At
24 the conclusion of the hearing, the hearing officer shall

1 present to the Secretary a written report of his or her
2 findings of fact, conclusions of law, and recommendations.

3 (b) At the conclusion of the hearing, a copy of the hearing
4 officer's report shall be served upon the applicant or licensee
5 by the Department, either personally or as provided in this Act
6 for the service of a notice of hearing. Within 20 calendar days
7 after service, the applicant or licensee may present to the
8 Department a motion in writing for rehearing, which shall
9 specify the particular grounds for rehearing. The Department
10 may respond to the motion for rehearing within 20 calendar days
11 after its service on the Department. If no motion for rehearing
12 is filed, then, upon the expiration of the time specified for
13 filing such motion or upon denial of a motion for rehearing,
14 the Secretary may enter an order in accordance with the
15 recommendation of the hearing officer. If the applicant or
16 licensee orders from the reporting service and pays for a
17 transcript of the record within the time for filing a motion
18 for rehearing, the 20-day period within which a motion may be
19 filed shall commence upon the delivery of the transcript to the
20 applicant or licensee.

21 (c) If the Secretary disagrees in any regard with the
22 report of the hearing officer, the Secretary may issue an order
23 contrary to the report.

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

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

5 Section 15-175. Review under the Administrative Review
6 Law.

7 (a) All final administrative decisions of the Department
8 hereunder shall be subject to judicial review under the
9 provisions of the Administrative Review Law, and all amendment
10 and modifications thereof. The term "administrative decision"
11 is defined as in Section 3-101 of the Code of Civil Procedure.

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

16 (c) The Department shall not be required to certify any
17 record to the court, file any answer in court, or otherwise
18 appear in any court in a judicial review proceeding, unless and
19 until the Department has received from the plaintiff payment of
20 the costs of furnishing and certifying the record, which costs
21 shall be determined by the Department. Failure on the part of
22 the plaintiff to file a receipt in court shall be grounds for
23 dismissal of the action.

24

ARTICLE 20.

1 ADULT USE CULTIVATION CENTERS

2 Section 20-1. Definition. In this Article, "Department"
3 means the Department of Agriculture.

4 Section 20-5. Issuance of licenses. On or after July 1,
5 2021, the Department of Agriculture by rule may:

6 (1) Modify or change the number of cultivation center
7 licenses available, which shall at no time exceed 30
8 cultivation center licenses. In determining whether to
9 exercise the authority granted by this subsection, the
10 Department of Agriculture must consider the following
11 factors:

12 (A) The percentage of cannabis sales occurring in
13 Illinois not in the regulated market using data from
14 the Substance Abuse and Mental Health Services
15 Administration, National Survey on Drug Use and
16 Health, Illinois Behavioral Risk Factor Surveillance
17 System, and tourism data from the Illinois Office of
18 Tourism to ascertain total cannabis consumption in
19 Illinois compared to the amount of sales in licensed
20 dispensing organizations;

21 (B) Whether there is an adequate supply of cannabis
22 and cannabis-infused products to serve registered
23 medical cannabis patients;

24 (C) Whether there is an adequate supply of cannabis

1 and cannabis-infused products to serve purchasers;

2 (D) Whether there is an oversupply of cannabis in
3 Illinois leading to trafficking of cannabis to any
4 other state;

5 (E) Population increases or shifts;

6 (F) Changes to federal law;

7 (G) Perceived security risks of increasing the
8 number or location of cultivation centers;

9 (H) The past security records of cultivation
10 centers;

11 (I) The Department of Agriculture's capacity to
12 appropriately regulate additional licensees;

13 (J) The findings and recommendations from the
14 disparity and availability study commissioned by the
15 Illinois Cannabis Regulation Oversight Officer
16 referenced in subsection (e) of Section 5-45 to reduce
17 or eliminate any identified barriers to entry in the
18 cannabis industry; and

19 (K) Any other criteria the Department of
20 Agriculture deems relevant.

21 (2) Modify or change the licensing application process
22 to reduce or eliminate the barriers identified in the
23 disparity and availability study commission by the
24 Illinois Cannabis Regulation Oversight Officer and shall
25 make modifications to remedy evidence of discrimination.

1 Section 20-10. Early Approval of Adult Use Cultivation
2 Center License.

3 (a) Any medical cannabis cultivation center registered and
4 in good standing under the Compassionate Use of Medical
5 Cannabis Pilot Program Act as of the effective date of this Act
6 may, within 60 days of the effective date of this Act but no
7 later than 180 days from the effective date of this Act, apply
8 to the Department of Agriculture for an Early Approval Adult
9 Use Cultivation Center License to produce cannabis and
10 cannabis-infused products at its existing facilities as of the
11 effective date of this Act.

12 (b) A medical cannabis cultivation center seeking issuance
13 of an Early Approval Adult Use Cultivation Center License shall
14 submit an application on forms provided by the Department of
15 Agriculture. The application must meet or include the following
16 qualifications:

17 (1) Payment of a nonrefundable application fee of
18 \$100,000 to be deposited into the Cannabis Regulation Fund;

19 (2) Proof of registration as a medical cannabis
20 cultivation center that is in good standing;

21 (3) Submission of the application by the same person or
22 entity that holds the medical cannabis cultivation center
23 registration;

24 (4) Certification that the applicant will comply with
25 the requirements of Section 20-30;

26 (5) The legal name of the cultivation center;

1 (6) The physical address of the cultivation center;

2 (7) The name, address, social security number, and date
3 of birth of each principal officer and board member of the
4 cultivation center; each of those individuals shall be at
5 least 21 years of age;

6 (8) A nonrefundable Cannabis Business Development Fee
7 equal to 5% of the cultivation center's total sales between
8 June 1, 2018 to June 1, 2019 or \$750,000, whichever is
9 less, but at not less than \$250,000, to be deposited into
10 the Cannabis Business Development Fund; and

11 (9) A commitment to completing one of the following
12 Social Equity Inclusion Plans provided for in this
13 subsection (b) before the expiration of the Early Approval
14 Adult Use Cultivation Center License:

15 (A) A contribution of 5% of the cultivation
16 center's total sales from June 1, 2018 to June 1, 2019,
17 or \$100,000, whichever is less, to one of the
18 following:

19 (i) the Cannabis Business Development Fund.
20 This is in addition to the fee required by item (8)
21 of this subsection (b);

22 (ii) a cannabis industry training or education
23 program at an Illinois community college as
24 defined in the Public Community College Act;

25 (iii) a program that provides job training
26 services to persons recently incarcerated or that

1 operates in a Disproportionately Impacted Area.

2 (B) Participate as a host in a cannabis business
3 incubator program for at least one year approved by the
4 Department of Commerce and Economic Opportunity, and
5 in which an Early Approval Adult Use Cultivation Center
6 License holder agrees to provide a loan of at least
7 \$100,000 and mentorship to incubate a licensee that
8 qualifies as a Social Equity Applicant. As used in this
9 Section, "incubate" means providing direct financial
10 assistance and training necessary to engage in
11 licensed cannabis industry activity similar to that of
12 the host licensee. The Early Approval Adult Use
13 Cultivation Center License holder or the same entity
14 holding any other licenses issued pursuant to this Act
15 shall not take an ownership stake of greater than 10%
16 in any business receiving incubation services to
17 comply with this subsection. If an Early Approval Adult
18 Use Cultivation Center License holder fails to find a
19 business to incubate to comply with this subsection
20 before its Early Approval Adult Use Cultivation Center
21 License expires, it may opt to meet the requirement of
22 this subsection by completing another item from this
23 subsection prior to the expiration of its Early
24 Approval Adult Use Cultivation Center License to avoid
25 a penalty.

26 (c) An Early Approval Adult Use Cultivation Center License

1 is valid until March 31, 2021. A cultivation center that
2 obtains an Early Approval Adult Use Cultivation Center License
3 shall receive written or electronic notice 90 days before the
4 expiration of the license that the license will expire, and
5 inform the license holder that it may renew its Early Approval
6 Adult Use Cultivation Center License. The Department of
7 Agriculture shall grant a renewal of an Early Approval Adult
8 Use Cultivation Center License within 60 days of submission of
9 an application if:

10 (1) the cultivation center submits an application and
11 the required renewal fee of \$100,000 for an Early Approval
12 Adult Use Cultivation Center License;

13 (2) the Department of Agriculture has not suspended the
14 license of the cultivation center or suspended or revoked
15 the license for violating this Act or rules adopted under
16 this Act; and

17 (3) the cultivation center has completed a Social
18 Equity Inclusion Plan as required by item (9) of subsection
19 (b) of this Section.

20 (c-5) The Early Approval Adult Use Cultivation Center
21 License renewed pursuant to subsection (c) of this Section
22 shall expire March 31, 2022. The Early Approval Adult Use
23 Cultivation Center Licensee shall receive written or
24 electronic notice 90 days before the expiration of the license
25 that the license will expire, and inform the license holder
26 that it may apply for an Adult Use Cultivation Center License.

1 The Department of Agriculture shall grant an Adult Use
2 Dispensing Organization License within 60 days of an
3 application being deemed complete if the applicant meets all of
4 the criteria in Section 20-21.

5 (d) The license fee required by paragraph (1) of subsection
6 (c) of this Section shall be in addition to any license fee
7 required for the renewal of a registered medical cannabis
8 cultivation center license that expires during the effective
9 period of the Early Approval Adult Use Cultivation Center
10 License.

11 (e) Applicants must submit all required information,
12 including the requirements in subsection (b) of this Section,
13 to the Department of Agriculture. Failure by an applicant to
14 submit all required information may result in the application
15 being disqualified.

16 (f) If the Department of Agriculture receives an
17 application with missing information, the Department may issue
18 a deficiency notice to the applicant. The applicant shall have
19 10 calendar days from the date of the deficiency notice to
20 submit complete information. Applications that are still
21 incomplete after this opportunity to cure may be disqualified.

22 (g) If an applicant meets all the requirements of
23 subsection (b) of this Section, the Department of Agriculture
24 shall issue the Early Approval Adult Use Cultivation Center
25 License within 14 days of receiving the application unless:

26 (1) The licensee; principal officer, board member, or

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

5 (2) The Director of Agriculture determines there is
6 reason, based on an inordinate number of documented
7 compliance violations, the licensee is not entitled to an
8 Early Approval Adult Use Cultivation Center License; or

9 (3) The licensee fails to commit to the Social Equity
10 Inclusion Plan.

11 (h) A cultivation center may begin producing cannabis and
12 cannabis-infused products once the Early Approval Adult Use
13 Cultivation Center License is approved. A cultivation center
14 that obtains an Early Approval Adult Use Cultivation Center
15 License may begin selling cannabis and cannabis-infused
16 products on December 1, 2019.

17 (i) An Early Approval Adult Use Cultivation Center License
18 holder must continue to produce and provide an adequate supply
19 of cannabis and cannabis-infused products for purchase by
20 qualifying patients and caregivers. For the purposes of this
21 subsection, "adequate supply" means a monthly production level
22 that is comparable in type and quantity to those medical
23 cannabis products produced for patients and caregivers on an
24 average monthly basis for the 6 months before the effective
25 date of this Act.

26 (j) If there is a shortage of cannabis or cannabis-infused

1 products, a license holder shall prioritize patients
2 registered under the Compassionate Use of Medical Cannabis
3 Pilot Program Act over adult use purchasers.

4 (k) If an Early Approval Adult Use Cultivation Center
5 licensee fails to submit an application for an Adult Use
6 Cultivation Center License before the expiration of the Early
7 Approval Adult Use Cultivation Center License pursuant to
8 subsection (c-5) of this Section, the cultivation center shall
9 cease adult use cultivation until it receives an Adult Use
10 Cultivation Center License.

11 (l) A cultivation center agent who holds a valid
12 cultivation center agent identification card issued under the
13 Compassionate Use of Medical Cannabis Pilot Program Act and is
14 an officer, director, manager, or employee of the cultivation
15 center licensed under this Section may engage in all activities
16 authorized by this Article to be performed by a cultivation
17 center agent.

18 (m) If the Department of Agriculture suspends or revokes
19 the Early Approval Adult Use Cultivation Center License of a
20 cultivation center that also holds a medical cannabis
21 cultivation center license issued under the Compassionate Use
22 of Medical Cannabis Pilot Program Act, the Department of
23 Agriculture may suspend or revoke the medical cannabis
24 cultivation center license concurrently with the Early
25 Approval Adult Use Cultivation Center License.

26 (n) All fees or fines collected from an Early Approval

1 Adult Use Cultivation Center License holder as a result of a
2 disciplinary action in the enforcement of this Act shall be
3 deposited into the Cannabis Regulation Fund.

4 Section 20-15. Conditional Adult Use Cultivation Center
5 application.

6 (a) If the Department of Agriculture makes available
7 additional cultivation center licenses pursuant to Section
8 20-5, applicants for a Conditional Adult Use Cultivation Center
9 License shall electronically submit the following in such form
10 as the Department of Agriculture may direct:

11 (1) the nonrefundable application fee set by rule by
12 the Department of Agriculture, to be deposited into the
13 Cannabis Regulation Fund;

14 (2) the legal name of the cultivation center;

15 (3) the proposed physical address of the cultivation
16 center;

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

21 (5) the details of any administrative or judicial
22 proceeding in which any of the principal officers or board
23 members of the cultivation center (i) pled guilty, were
24 convicted, fined, or had a registration or license
25 suspended or revoked, or (ii) managed or served on the

1 board of a business or non-profit organization that pled
2 guilty, was convicted, fined, or had a registration or
3 license suspended or revoked;

4 (6) proposed operating bylaws that include procedures
5 for the oversight of the cultivation center, including the
6 development and implementation of a plant monitoring
7 system, accurate recordkeeping, staffing plan, and
8 security plan approved by the Department of State Police
9 that are in accordance with the rules issued by the
10 Department of Agriculture under this Act. A physical
11 inventory shall be performed of all plants and cannabis on
12 a weekly basis by the cultivation center;

13 (7) verification from the Department of State Police
14 that all background checks of the prospective principal
15 officers, board members, and agents of the cannabis
16 business establishment have been conducted;

17 (8) a copy of the current local zoning ordinance or
18 permit and verification that the proposed cultivation
19 center is in compliance with the local zoning rules and
20 distance limitations established by the local
21 jurisdiction;

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

1 (10) whether an applicant can demonstrate experience
2 in or business practices that promote economic empowerment
3 in Disproportionately Impacted Areas;

4 (11) experience with the cultivation of agricultural
5 or horticultural products, operating an agriculturally
6 related business, or operating a horticultural business;

7 (12) a description of the enclosed, locked facility
8 where cannabis will be grown, harvested, manufactured,
9 processed, packaged, or otherwise prepared for
10 distribution to a dispensing organization;

11 (13) a survey of the enclosed, locked facility,
12 including the space used for cultivation;

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

15 (15) a description of the applicant's experience with
16 agricultural cultivation techniques and industry
17 standards;

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

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

1 (18) a plan describing how the cultivation center will
2 address each of the following:

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

8 (ii) water needs, including estimated water draw
9 and if it has or will adopt a sustainable water use and
10 water conservation policy; and

11 (iii) waste management, including if it has or will
12 adopt a waste reduction policy;

13 (19) a diversity plan that includes a narrative of not
14 more than 2,500 words that establishes a goal of diversity
15 in ownership, management, employment, and contracting to
16 ensure that diverse participants and groups are afforded
17 equality of opportunity;

18 (20) any other information required by rule;

19 (21) a recycling plan:

20 (A) Purchaser packaging, including cartridges,
21 shall be accepted by the applicant and recycled.

22 (B) Any recyclable waste generated by the cannabis
23 cultivation facility shall be recycled per applicable
24 State and local laws, ordinances, and rules.

25 (C) Any cannabis waste, liquid waste, or hazardous
26 waste shall be disposed of in accordance with 8 Ill.

1 Adm. Code 1000.460, except, to the greatest extent
2 feasible, all cannabis plant waste will be rendered
3 unusable by grinding and incorporating the cannabis
4 plant waste with compostable mixed waste to be disposed
5 of in accordance with 8 Ill Adm. Code 1000.460(g) (1);

6 (22) commitment to comply with local waste provisions:
7 a cultivation facility must remain in compliance with
8 applicable State and federal environmental requirements,
9 including, but not limited to:

10 (A) storing, securing, and managing all
11 recyclables and waste, including organic waste
12 composed of or containing finished cannabis and
13 cannabis products, in accordance with applicable State
14 and local laws, ordinances, and rules; and

15 (B) Disposing liquid waste containing cannabis or
16 byproducts of cannabis processing in compliance with
17 all applicable State and federal requirements,
18 including, but not limited to, the cannabis
19 cultivation facility's permits under Title X of the
20 Environmental Protection Act; and

21 (23) a commitment to a technology standard for resource
22 efficiency of the cultivation center facility.

23 (A) A cannabis cultivation facility commits to use
24 resources efficiently, including energy and water. For
25 the following, a cannabis cultivation facility commits
26 to meet or exceed the technology standard identified in

1 items (i), (ii), (iii), and (iv), which may be modified
2 by rule:

3 (i) lighting systems, including light bulbs;

4 (ii) HVAC system;

5 (iii) water application system to the crop;

6 and

7 (iv) filtration system for removing
8 contaminants from wastewater.

9 (B) Lighting. The Lighting Power Densities (LPD)
10 for cultivation space commits to not exceed an average
11 of 36 watts per gross square foot of active and growing
12 space canopy, or all installed lighting technology
13 shall meet a photosynthetic photon efficacy (PPE) of no
14 less than 2.2 micromoles per joule fixture and shall be
15 featured on the DesignLights Consortium (DLC)
16 Horticultural Specification Qualified Products List
17 (QPL). In the event that DLC requirement for minimum
18 efficacy exceeds 2.2 micromoles per joule fixture,
19 that PPE shall become the new standard.

20 (C) HVAC.

21 (i) For cannabis grow operations with less
22 than 6,000 square feet of canopy, the licensee
23 commits that all HVAC units will be
24 high-efficiency ductless split HVAC units, or
25 other more energy efficient equipment.

26 (ii) For cannabis grow operations with 6,000

1 square feet of canopy or more, the licensee commits
2 that all HVAC units will be variable refrigerant
3 flow HVAC units, or other more energy efficient
4 equipment.

5 (D) Water application.

6 (i) The cannabis cultivation facility commits
7 to use automated watering systems, including, but
8 not limited to, drip irrigation and flood tables,
9 to irrigate cannabis crop.

10 (ii) The cannabis cultivation facility commits
11 to measure runoff from watering events and report
12 this volume in its water usage plan, and that on
13 average, watering events shall have no more than
14 20% of runoff of water.

15 (E) Filtration. The cultivator commits that HVAC
16 condensate, dehumidification water, excess runoff, and
17 other wastewater produced by the cannabis cultivation
18 facility shall be captured and filtered to the best of
19 the facility's ability to achieve the quality needed to
20 be reused in subsequent watering rounds.

21 (F) Reporting energy use and efficiency as
22 required by rule.

23 (b) Applicants must submit all required information,
24 including the information required in Section 20-10, to the
25 Department of Agriculture. Failure by an applicant to submit
26 all required information may result in the application being

1 disqualified.

2 (c) If the Department of Agriculture receives an
3 application with missing information, the Department of
4 Agriculture may issue a deficiency notice to the applicant. The
5 applicant shall have 10 calendar days from the date of the
6 deficiency notice to resubmit the incomplete information.
7 Applications that are still incomplete after this opportunity
8 to cure will not be scored and will be disqualified.

9 (e) A cultivation center that is awarded a Conditional
10 Adult Use Cultivation Center License pursuant to the criteria
11 in Section 20-20 shall not grow, purchase, possess, or sell
12 cannabis or cannabis-infused products until the person has
13 received an Adult Use Cultivation Center License issued by the
14 Department of Agriculture pursuant to Section 20-21 of this
15 Act.

16 Section 20-20. Conditional Adult Use License scoring
17 applications.

18 (a) The Department of Agriculture shall by rule develop a
19 system to score cultivation center applications to
20 administratively rank applications based on the clarity,
21 organization, and quality of the applicant's responses to
22 required information. Applicants shall be awarded points based
23 on the following categories:

- 24 (1) Suitability of the proposed facility;
25 (2) Suitability of employee training plan;

- 1 (3) Security and recordkeeping;
- 2 (4) Cultivation plan;
- 3 (5) Product safety and labeling plan;
- 4 (6) Business plan;
- 5 (7) The applicant's status as a Social Equity
- 6 Applicant, which shall constitute no less than 20% of total
- 7 available points;
- 8 (8) Labor and employment practices, which shall
- 9 constitute no less than 2% of total available points;
- 10 (9) Environmental plan as described in paragraphs
- 11 (18), (21), (22), and (23) of subsection (a) of Section
- 12 20-15;
- 13 (10) The applicant is 51% or more owned and controlled
- 14 by an individual or individuals who have been an Illinois
- 15 resident for the past 5 years as proved by tax records;
- 16 (11) The applicant is 51% or more controlled and owned
- 17 by an individual or individuals who meet the qualifications
- 18 of a veteran as defined by Section 45-57 of the Illinois
- 19 Procurement Code;
- 20 (12) a diversity plan that includes a narrative of not
- 21 more than 2,500 words that establishes a goal of diversity
- 22 in ownership, management, employment, and contracting to
- 23 ensure that diverse participants and groups are afforded
- 24 equality of opportunity; and
- 25 (13) Any other criteria the Department of Agriculture
- 26 may set by rule for points.

1 (b) The Department may also award bonus points for the
2 applicant's plan to engage with the community. Bonus points
3 will only be awarded if the Department receives applications
4 that receive an equal score for a particular region.

5 (c) Should the applicant be awarded a cultivation center
6 license, the information and plans that an applicant provided
7 in its application, including any plans submitted for the
8 acquiring of bonus points, becomes a mandatory condition of the
9 permit. Any variation from or failure to perform such plans may
10 result in discipline, including the revocation or nonrenewal of
11 a license.

12 (d) Should the applicant be awarded a cultivation center
13 license, it shall pay a fee of \$100,000 prior to receiving the
14 license, to be deposited into the Cannabis Regulation Fund. The
15 Department of Agriculture may by rule adjust the fee in this
16 Section after January 1, 2021.

17 Section 20-21. Adult Use Cultivation Center License.

18 (a) A person or entity is only eligible to receive an Adult
19 Use Cultivation Center License if the person or entity has
20 first been awarded a Conditional Adult Use Cultivation Center
21 License pursuant to this Act or the person or entity has
22 renewed its Early Approval Cultivation Center License pursuant
23 to subsection (c) of Section 20-10.

24 (b) The Department of Agriculture shall not issue an Adult
25 Use Cultivation Center License until:

1 (1) the Department of Agriculture has inspected the
2 cultivation center site and proposed operations and
3 verified that they are in compliance with this Act and
4 local zoning laws;

5 (2) the Conditional Adult Use Cultivation Center
6 License holder has paid a registration fee of \$100,000 or a
7 prorated amount accounting for the difference of time
8 between when the Adult Use Cultivation Center License is
9 issued and March 31 of the next even-numbered year; and

10 (3) The Conditional Adult Use Cultivation Center
11 License holder has met all the requirements in the Act and
12 rules.

13 Section 20-25. Denial of application. An application for a
14 cultivation center license must be denied if any of the
15 following conditions are met:

16 (1) the applicant failed to submit the materials
17 required by this Article;

18 (2) the applicant would not be in compliance with local
19 zoning rules;

20 (3) one or more of the prospective principal officers
21 or board members causes a violation of Section 20-30;

22 (4) one or more of the principal officers or board
23 members is under 21 years of age;

24 (5) the person has submitted an application for a
25 permit under this Act that contains false information; or

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

6 Section 20-30. Cultivation center requirements;
7 prohibitions.

8 (a) The operating documents of a cultivation center shall
9 include procedures for the oversight of the cultivation center
10 a cannabis plant monitoring system including a physical
11 inventory recorded weekly, accurate recordkeeping, and a
12 staffing plan.

13 (b) A cultivation center shall implement a security plan
14 reviewed by the Department of State Police that includes, but
15 is not limited to: facility access controls, perimeter
16 intrusion detection systems, personnel identification systems,
17 24-hour surveillance system to monitor the interior and
18 exterior of the cultivation center facility and accessibility
19 to authorized law enforcement, the Department of Public Health
20 where processing takes place, and the Department of Agriculture
21 in real time.

22 (c) All cultivation of cannabis by a cultivation center
23 must take place in an enclosed, locked facility at the physical
24 address provided to the Department of Agriculture during the
25 licensing process. The cultivation center location shall only

1 be accessed by the agents working for the cultivation center,
2 the Department of Agriculture staff performing inspections,
3 the Department of Public Health staff performing inspections,
4 local and State law enforcement or other emergency personnel,
5 contractors working on jobs unrelated to cannabis, such as
6 installing or maintaining security devices or performing
7 electrical wiring, transporting organization agents as
8 provided in this Act, individuals in a mentoring or educational
9 program approved by the State, or other individuals as provided
10 by rule.

11 (d) A cultivation center may not sell or distribute any
12 cannabis or cannabis-infused products to any person other than
13 a dispensing organization, craft grower, infusing
14 organization, transporter, or as otherwise authorized by rule.

15 (e) A cultivation center may not either directly or
16 indirectly discriminate in price between different dispensing
17 organizations, craft growers, or infuser organizations that
18 are purchasing a like grade, strain, brand, and quality of
19 cannabis or cannabis-infused product. Nothing in this
20 subsection (e) prevents a cultivation centers from pricing
21 cannabis differently based on differences in the cost of
22 manufacturing or processing, the quantities sold, such as
23 volume discounts, or the way the products are delivered.

24 (f) All cannabis harvested by a cultivation center and
25 intended for distribution to a dispensing organization must be
26 entered into a data collection system, packaged and labeled

1 under Section 55-21, and placed into a cannabis container for
2 transport. All cannabis harvested by a cultivation center and
3 intended for distribution to a craft grower or infuser
4 organization must be packaged in a labeled cannabis container
5 and entered into a data collection system before transport.

6 (g) Cultivation centers are subject to random inspections
7 by the Department of Agriculture, the Department of Public
8 Health, local safety or health inspectors, and the Department
9 of State Police.

10 (h) A cultivation center agent shall notify local law
11 enforcement, the Department of 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 or in person, or by
14 written or electronic communication.

15 (i) A cultivation center shall comply with all State and
16 any applicable federal rules and regulations regarding the use
17 of pesticides on cannabis plants.

18 (j) No person or entity shall hold any legal, equitable,
19 ownership, or beneficial interest, directly or indirectly, of
20 more than 3 cultivation centers licensed under this Article.
21 Further, no person or entity that is employed by, an agent of,
22 has a contract to receive payment in any form from a
23 cultivation center, is a principal officer of a cultivation
24 center, or entity controlled by or affiliated with a principal
25 officer of a cultivation shall hold any legal, equitable,
26 ownership, or beneficial interest, directly or indirectly, in a

1 cultivation that would result in the person or entity owning or
2 controlling in combination with any cultivation center,
3 principal officer of a cultivation center, or entity controlled
4 or affiliated with a principal officer of a cultivation center
5 by which he, she, or it is employed, is an agent of, or
6 participates in the management of, more than 3 cultivation
7 center licenses.

8 (k) A cultivation center may not contain more than 210,000
9 square feet of canopy space for plants in the flowering stage
10 for cultivation of adult use cannabis as provided in this Act.

11 (l) A cultivation center may process cannabis, cannabis
12 concentrates, and cannabis-infused products.

13 (m) Beginning July 1, 2020, a cultivation center shall not
14 transport cannabis to a craft grower, dispensing organization,
15 infuser organization, or laboratory licensed under this Act,
16 unless it has obtained a transporting organization license.

17 (n) It is unlawful for any person having a cultivation
18 center license or any officer, associate, member,
19 representative, or agent of such licensee to offer or deliver
20 money, or anything else of value, directly or indirectly to any
21 person having an Early Approval Adult Use Dispensing
22 Organization License, a Conditional Adult Use Dispensing
23 Organization License, an Adult Use Dispensing Organization
24 License, or a medical cannabis dispensing organization license
25 issued under the Compassionate Use of Medical Cannabis Pilot
26 Program Act, or to any person connected with or in any way

1 representing, or to any member of the family of, such person
2 holding an Early Approval Adult Use Dispensing Organization
3 License, a Conditional Adult Use Dispensing Organization
4 License, an Adult Use Dispensing Organization License, or a
5 medical cannabis dispensing organization license issued under
6 the Compassionate Use of Medical Cannabis Pilot Program Act, or
7 to any stockholders in any corporation engaged in the retail
8 sale of cannabis, or to any officer, manager, agent, or
9 representative of the Early Approval Adult Use Dispensing
10 Organization License, a Conditional Adult Use Dispensing
11 Organization License, an Adult Use Dispensing Organization
12 License, or a medical cannabis dispensing organization license
13 issued under the Compassionate Use of Medical Cannabis Pilot
14 Program Act to obtain preferential placement within the
15 dispensing organization, including, without limitation, on
16 shelves and in display cases where purchasers can view
17 products, or on the dispensing organization's website.

18 (o) A cultivation center must comply with any other
19 requirements or prohibitions set by administrative rule of the
20 Department of Agriculture.

21 Section 20-35. Cultivation center agent identification
22 card.

23 (a) The Department of Agriculture shall:

24 (1) establish by rule the information required in an
25 initial application or renewal application for an agent

1 identification card submitted under this Act and the
2 nonrefundable fee to accompany the initial application or
3 renewal application;

4 (2) verify the information contained in an initial
5 application or renewal application for an agent
6 identification card submitted under this Act, and approve
7 or deny an application within 30 days of receiving a
8 completed initial application or renewal application and
9 all supporting documentation required by rule;

10 (3) issue an agent identification card to a qualifying
11 agent within 15 business days of approving the initial
12 application or renewal application;

13 (4) enter the license number of the cultivation center
14 where the agent works; and

15 (5) allow for an electronic initial application and
16 renewal application process, and provide a confirmation by
17 electronic or other methods that an application has been
18 submitted. The Department of Agriculture may by rule
19 require prospective agents to file their applications by
20 electronic means and provide notices to the agents by
21 electronic means.

22 (b) An agent must keep his or her identification card
23 visible at all times when on the property of the cultivation
24 center at which the agent is employed.

25 (c) The agent identification cards shall contain the
26 following:

- 1 (1) the name of the cardholder;
- 2 (2) the date of issuance and expiration date of the
3 identification card;
- 4 (3) a random 10-digit alphanumeric identification
5 number containing at least 4 numbers and at least 4 letters
6 that is unique to the holder;
- 7 (4) a photograph of the cardholder; and
- 8 (5) the legal name of the cultivation center employing
9 the agent.

10 (d) An agent identification card shall be immediately
11 returned to the cultivation center of the agent upon
12 termination of his or her employment.

13 (e) Any agent identification card lost by a cultivation
14 center agent shall be reported to the Department of State
15 Police and the Department of Agriculture immediately upon
16 discovery of the loss.

17 (f) The Department of Agriculture shall not issue an agent
18 identification card if the applicant is delinquent in filing
19 any required tax returns or paying any amounts owed to the
20 State of Illinois.

21 Section 20-40. Cultivation center background checks.

22 (a) Through the Department of State Police, the Department
23 of Agriculture shall conduct a background check of the
24 prospective principal officers, board members, and agents of a
25 cultivation center applying for a license or identification

1 card under this Act. The Department of State Police shall
2 charge a fee set by rule for conducting the criminal history
3 record check, which shall be deposited into the State Police
4 Services Fund and shall not exceed the actual cost of the
5 record check. In order to carry out this provision, each
6 cultivation center prospective principal officer, board
7 member, or agent shall submit a full set of fingerprints to the
8 Department of State Police for the purpose of obtaining a State
9 and federal criminal records check. These fingerprints shall be
10 checked against the fingerprint records now and hereafter, to
11 the extent allowed by law, filed in the Department of State
12 Police and Federal Bureau of Investigation criminal history
13 records databases. The Department of State Police shall
14 furnish, following positive identification, all conviction
15 information to the Department of Agriculture.

16 (b) When applying for the initial license or identification
17 card, the background checks for all prospective principal
18 officers, board members, and agents shall be completed before
19 submitting the application to the licensing or issuing agency.

20 Section 20-45. Renewal of cultivation center licenses and
21 agent identification cards.

22 (a) Licenses and identification cards issued under this Act
23 shall be renewed annually. A cultivation center shall receive
24 written or electronic notice 90 days before the expiration of
25 its current license that the license will expire. The

1 Department of Agriculture shall grant a renewal within 45 days
2 of submission of a renewal application if:

3 (1) the cultivation center submits a renewal
4 application and the required nonrefundable renewal fee of
5 \$100,000, or another amount as the Department of
6 Agriculture may set by rule after January 1, 2021, to be
7 deposited into the Cannabis Regulation Fund.

8 (2) the Department of Agriculture has not suspended the
9 license of the cultivation center or suspended or revoked
10 the license for violating this Act or rules adopted under
11 this Act;

12 (3) the cultivation center has continued to operate in
13 accordance with all plans submitted as part of its
14 application and approved by the Department of Agriculture
15 or any amendments thereto that have been approved by the
16 Department of Agriculture;

17 (4) the cultivation center has submitted an agent,
18 employee, contracting, and subcontracting diversity report
19 as required by the Department; and

20 (5) the cultivation center has submitted an
21 environmental impact report.

22 (b) If a cultivation center fails to renew its license
23 before expiration, it shall cease operations until its license
24 is renewed.

25 (c) If a cultivation center agent fails to renew his or her
26 identification card before its expiration, he or she shall

1 cease to work as an agent of the cultivation center until his
2 or her identification card is renewed.

3 (d) Any cultivation center that continues to operate, or
4 any cultivation center agent who continues to work as an agent,
5 after the applicable license or identification card has expired
6 without renewal is subject to the penalties provided under
7 Section 45-5.

8 Section 20-50. Cultivator taxes; returns.

9 (a) A tax is imposed upon the privilege of cultivating and
10 processing adult use cannabis at the rate of 7% of the gross
11 receipts from the sale of cannabis by a cultivator to a
12 dispensing organization. The sale of any adult use product that
13 contains any amount of cannabis or any derivative thereof is
14 subject to the tax under this Section on the full selling price
15 of the product. The proceeds from this tax shall be deposited
16 into the Cannabis Regulation Fund. This tax shall be paid by
17 the cultivator who makes the first sale and is not the
18 responsibility of a dispensing organization, qualifying
19 patient, or purchaser.

20 (b) In the administration of and compliance with this
21 Section, the Department of Revenue and persons who are subject
22 to this Section: (i) have the same rights, remedies,
23 privileges, immunities, powers, and duties, (ii) are subject to
24 the same conditions, restrictions, limitations, penalties, and
25 definitions of terms, and (iii) shall employ the same modes of

1 procedure as are set forth in the Cannabis Cultivation
2 Privilege Tax Law and the Uniform Penalty and Interest Act as
3 if those provisions were set forth in this Section.

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

8 ARTICLE 25.

9 COMMUNITY COLLEGE CANNABIS VOCATIONAL PILOT PROGRAM

10 Section 25-1. Definitions In this Article:

11 "Board" means the Illinois Community College Board.

12 "Career in Cannabis Certificate" or "Certificate" means
13 the certification awarded to a community college student who
14 completes a prescribed course of study in cannabis and cannabis
15 business industry related classes and curriculum at a community
16 college awarded a Community College Cannabis Vocational Pilot
17 Program license.

18 "Community college" means a public community college
19 organized under the Public Community College Act.

20 "Department" means the Department of Agriculture.

21 "Licensee" means a community college awarded a Community
22 College Cannabis Vocational Pilot Program license under this
23 Article.

24 "Program" means the Community College Cannabis Vocational

1 Pilot Program.

2 "Program license" means a Community College Cannabis
3 Vocational Pilot Program license issued to a community college
4 under this Article.

5 Section 25-5. Administration.

6 (a) The Department shall establish and administer the
7 Program in coordination with the Illinois Community College
8 Board. The Department may issue up to 8 Program licenses by
9 September 1, 2020.

10 (b) Beginning with the 2021-2022 academic year, and subject
11 to subsection (h) of Section 2-12 of the Public Community
12 College Act, community colleges awarded Program licenses may
13 offer qualifying students a Career in Cannabis Certificate,
14 which includes, but is not limited to, courses that allow
15 participating students to work with, study, and grow live
16 cannabis plants so as to prepare students for a career in the
17 legal cannabis industry, and to instruct participating
18 students on the best business practices, professional
19 responsibility, and legal compliance of the cannabis business
20 industry.

21 (c) The Board may issue rules pertaining to the provisions
22 in this Act.

23 (d) Notwithstanding any other provision of this Act,
24 students shall be at least 18 years old in order to enroll in a
25 licensee's Career in Cannabis Certificate's prescribed course

1 of study.

2 Section 25-10. Issuance of Community College Cannabis
3 Vocational Pilot Program licenses.

4 (a) The Department shall issue rules regulating the
5 selection criteria for applicants by January 1, 2020. The
6 Department shall make the application for a Program license
7 available no later than February 1, 2020, and shall require
8 that applicants submit the completed application no later than
9 July 1, 2020.

10 (b) The Department shall by rule develop a system to score
11 Program licenses to administratively rank applications based
12 on the clarity, organization, and quality of the applicant's
13 responses to required information. Applicants shall be awarded
14 points that are based on or that meet the following categories:

15 (1) Geographic diversity of the applicants;

16 (2) Experience and credentials of the applicant's
17 faculty;

18 (3) At least 5 Program license awardees must have a
19 student population that is more than 50% low-income in each
20 of the past 4 years;

21 (4) Security plan, including a requirement that all
22 cannabis plants be in an enclosed, locked facility;

23 (5) Curriculum plan, including processing and testing
24 curriculum for the Career in Cannabis Certificate;

25 (6) Career advising and placement plan for

1 participating students; and

2 (7) Any other criteria the Department may set by rule.

3 Section 25-15. Community College Cannabis Vocational Pilot
4 Program requirements and prohibitions.

5 (a) Licensees shall not have more than 50 flowering
6 cannabis plants at any one time.

7 (b) The agent-in-charge shall keep a vault log of the
8 licensee's enclosed, locked facility or facilities, including
9 but not limited to, the person entering the site location, the
10 time of entrance, the time of exit, and any other information
11 the Department may set by rule.

12 (c) Cannabis shall not be removed from the licensee's
13 facility, except for the limited purpose of shipping a sample
14 to a laboratory registered under this Act.

15 (d) The licensee shall limit keys, access cards, or an
16 access code to the licensee's enclosed, locked facility, or
17 facilities, to cannabis curriculum faculty and college
18 security personnel with a bona fide need to access the facility
19 for emergency purposes.

20 (e) A transporting organization may transport cannabis
21 produced pursuant to this Article to a laboratory registered
22 under this Act. All other cannabis produced by the licensee
23 that was not shipped to a registered laboratory shall be
24 destroyed within 5 weeks of being harvested.

25 (f) Licensees shall subscribe to the Department of

1 Agriculture's cannabis plant monitoring system.

2 (g) Licensees shall maintain a weekly inventory system.

3 (h) No student participating in the cannabis curriculum
4 necessary to obtain a Certificate may be in the licensee's
5 facility unless a faculty agent-in-charge is also physically
6 present in the facility.

7 (i) Licensees shall conduct post-certificate follow up
8 surveys and record participating students' job placements
9 within the cannabis business industry within a year of the
10 student's completion.

11 (j) The Illinois Community College Board shall report
12 annually to the Department on the race, ethnicity, and gender
13 of all students participating in the cannabis curriculum
14 necessary to obtain a Certificate, and of those students who
15 obtain a Certificate.

16 Section 25-20. Faculty.

17 (a) All faculty members shall be required to maintain
18 registration as an agent-in-charge and have a valid agent
19 identification card prior to teaching or participating in the
20 licensee's cannabis curriculum that involves instruction
21 offered in the enclosed, locked facility or facilities.

22 (b) All faculty receiving an agent-in-charge or agent
23 identification card must successfully pass a background check
24 required by Section 5-20 prior to participating in a licensee's
25 cannabis curriculum that involves instruction offered in the

1 enclosed, locked facility.

2 Section 25-25. Enforcement.

3 (a) The Department has the authority to suspend or revoke
4 any faculty agent-in-charge or agent identification card for
5 any violation found under this Article.

6 (b) The Department has the authority to suspend or revoke
7 any Program license for any violation found under this Article.

8 (c) The Board shall revoke the authority to offer the
9 Certificate of any community college that has had its license
10 revoked by the Department.

11 Section 25-30. Inspection rights.

12 (a) A licensee's enclosed, locked facilities are subject to
13 random inspections by the Department and the Department of
14 State Police.

15 (b) Nothing in this Section shall be construed to give the
16 Department or the Department of State Police a right of
17 inspection or access to any location on the licensee's premises
18 beyond the facilities licensed under this Article.

19 Section 25-35. Community College Cannabis Vocational
20 Training Pilot Program faculty participant agent
21 identification card.

22 (a) The Department shall:

23 (1) establish by rule the information required in an

1 initial application or renewal application for an agent
2 identification card submitted under this Article and the
3 nonrefundable fee to accompany the initial application or
4 renewal application;

5 (2) verify the information contained in an initial
6 application or renewal application for an agent
7 identification card submitted under this Article, and
8 approve or deny an application within 30 days of receiving
9 a completed initial application or renewal application and
10 all supporting documentation required by rule;

11 (3) issue an agent identification card to a qualifying
12 agent within 15 business days of approving the initial
13 application or renewal application;

14 (4) enter the license number of the community college
15 where the agent works; and

16 (5) allow for an electronic initial application and
17 renewal application process, and provide a confirmation by
18 electronic or other methods that an application has been
19 submitted. Each Department may by rule require prospective
20 agents to file their applications by electronic means and
21 to provide notices to the agents by electronic means.

22 (b) An agent must keep his or her identification card
23 visible at all times when in the enclosed, locked facility, or
24 facilities for which he or she is an agent.

25 (c) The agent identification cards shall contain the
26 following:

- 1 (1) the name of the cardholder;
- 2 (2) the date of issuance and expiration date of the
3 identification card;
- 4 (3) a random 10-digit alphanumeric identification
5 number containing at least 4 numbers and at least 4 letters
6 that is unique to the holder;
- 7 (4) a photograph of the cardholder; and
- 8 (5) the legal name of the community college employing
9 the agent.

10 (d) An agent identification card shall be immediately
11 returned to the community college of the agent upon termination
12 of his or her employment.

13 (e) Any agent identification card lost shall be reported to
14 the Department of State Police and the Department of
15 Agriculture immediately upon discovery of the loss.

16 Section 25-40. Study. By December 31, 2025, the Illinois
17 Cannabis Regulation Oversight Officer, in coordination with
18 the Board, must issue a report to the Governor and the General
19 Assembly which includes, but is not limited to, the following:

20 (1) Number of security incidents or infractions at each
21 licensee and any action taken or not taken;

22 (2) Statistics, based on race, ethnicity, gender, and
23 participating community college of:

24 (A) students enrolled in career in cannabis
25 classes;

1 (B) successful completion rates by community
2 college students for the Certificate;

3 (C) postgraduate job placement of students who
4 obtained a Certificate, including both cannabis
5 business establishment jobs and non-cannabis business
6 establishment jobs; and

7 (3) Any other relevant information.

8 Section 25-45. Repeal. This Article is repealed on July 1,
9 2026.

10 ARTICLE 30.

11 CRAFT GROWERS

12 Section 30-3. Definition. In this Article, "Department"
13 means the Department of Agriculture.

14 Section 30-5. Issuance of licenses.

15 (a) The Department of Agriculture shall issue up to 40
16 craft grower licenses by July 1, 2020. Any person or entity
17 awarded a license pursuant to this subsection shall only hold
18 one craft grower license and may not sell that license until
19 after December 21, 2021.

20 (b) By December 21, 2021, the Department of Agriculture
21 shall issue up to 60 additional craft grower licenses. Any
22 person or entity awarded a license pursuant to this subsection

1 shall not hold more than 2 craft grower licenses. The person or
2 entity awarded a license pursuant to this subsection or
3 subsection (a) of this Section may sell its craft grower
4 license subject to the restrictions of this Act or as
5 determined by administrative rule. Prior to issuing such
6 licenses, the Department may adopt rules through emergency
7 rulemaking in accordance with subsection (gg) of Section 5-45
8 of the Illinois Administrative Procedure Act, to modify or
9 raise the number of craft grower licenses assigned to each
10 region and modify or change the licensing application process
11 to reduce or eliminate barriers. The General Assembly finds
12 that the adoption of rules to regulate cannabis use is deemed
13 an emergency and necessary for the public interest, safety, and
14 welfare. In determining whether to exercise the authority
15 granted by this subsection, the Department of Agriculture must
16 consider the following factors:

17 (1) The percentage of cannabis sales occurring in
18 Illinois not in the regulated market using data from the
19 Substance Abuse and Mental Health Services Administration,
20 National Survey on Drug Use and Health, Illinois Behavioral
21 Risk Factor Surveillance System, and tourism data from the
22 Illinois Office of Tourism to ascertain total cannabis
23 consumption in Illinois compared to the amount of sales in
24 licensed dispensing organizations;

25 (2) Whether there is an adequate supply of cannabis and
26 cannabis-infused products to serve registered medical

1 cannabis patients;

2 (3) Whether there is an adequate supply of cannabis and
3 cannabis-infused products to serve purchasers;

4 (4) Whether there is an oversupply of cannabis in
5 Illinois leading to trafficking of cannabis to states where
6 the sale of cannabis is not permitted by law;

7 (5) Population increases or shifts;

8 (6) The density of craft growers in any area of the
9 State;

10 (7) Perceived security risks of increasing the number
11 or location of craft growers;

12 (8) The past safety record of craft growers;

13 (9) The Department of Agriculture's capacity to
14 appropriately regulate additional licensees;

15 (10) The findings and recommendations from the
16 disparity and availability study commissioned by the
17 Illinois Cannabis Regulation Oversight Officer to reduce
18 or eliminate any identified barriers to entry in the
19 cannabis industry; and

20 (11) Any other criteria the Department of Agriculture
21 deems relevant.

22 (c) After January 1, 2022, the Department of Agriculture
23 may by rule modify or raise the number of craft grower licenses
24 assigned to each region, and modify or change the licensing
25 application process to reduce or eliminate barriers based on
26 the criteria in subsection (b). At no time may the number of

1 craft grower licenses exceed 150. Any person or entity awarded
2 a license pursuant to this subsection shall not hold more than
3 3 craft grower licenses. A person or entity awarded a license
4 pursuant to this subsection or subsection (a) or subsection (b)
5 of this Section may sell its craft grower license or licenses
6 subject to the restrictions of this Act or as determined by
7 administrative rule.

8 Section 30-10. Application.

9 (a) When applying for a license, the applicant shall
10 electronically submit the following in such form as the
11 Department of Agriculture may direct:

12 (1) the nonrefundable application fee of \$5,000 to be
13 deposited into the Cannabis Regulation Fund, or another
14 amount as the Department of Agriculture may set by rule
15 after January 1, 2021;

16 (2) the legal name of the craft grower;

17 (3) the proposed physical address of the craft grower;

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

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

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

5 (6) proposed operating bylaws that include procedures
6 for the oversight of the craft grower, including the
7 development and implementation of a plant monitoring
8 system, accurate recordkeeping, staffing plan, and
9 security plan approved by the Department of State Police
10 that are in accordance with the rules issued by the
11 Department of Agriculture under this Act; a physical
12 inventory shall be performed of all plants and on a weekly
13 basis by the craft grower;

14 (7) verification from the Department of State Police
15 that all background checks of the prospective principal
16 officers, board members, and agents of the cannabis
17 business establishment have been conducted;

18 (8) a copy of the current local zoning ordinance or
19 permit and verification that the proposed craft grower is
20 in compliance with the local zoning rules and distance
21 limitations established by the local jurisdiction;

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

1 (10) whether an applicant can demonstrate experience
2 in or business practices that promote economic empowerment
3 in Disproportionately Impacted Areas;

4 (11) experience with the cultivation of agricultural
5 or horticultural products, operating an agriculturally
6 related business, or operating a horticultural business;

7 (12) a description of the enclosed, locked facility
8 where cannabis will be grown, harvested, manufactured,
9 packaged, or otherwise prepared for distribution to a
10 dispensing organization or other cannabis business
11 establishment;

12 (13) a survey of the enclosed, locked facility,
13 including the space used for cultivation;

14 (14) cultivation, processing, inventory, and packaging
15 plans;

16 (15) a description of the applicant's experience with
17 agricultural cultivation techniques and industry
18 standards;

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

22 (17) the identity of every person having a financial or
23 voting interest of 5% or greater in the craft grower
24 operation, whether a trust, corporation, partnership,
25 limited liability company, or sole proprietorship,
26 including the name and address of each person;

1 (18) a plan describing how the craft grower will
2 address each of the following:

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

8 (ii) water needs, including estimated water draw
9 and if it has or will adopt a sustainable water use and
10 water conservation policy; and

11 (iii) waste management, including if it has or will
12 adopt a waste reduction policy;

13 (19) a recycling plan:

14 (A) Purchaser packaging, including cartridges,
15 shall be accepted by the applicant and recycled.

16 (B) Any recyclable waste generated by the craft
17 grower facility shall be recycled per applicable State
18 and local laws, ordinances, and rules.

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

26 (20) a commitment to comply with local waste

1 provisions: a craft grower facility must remain in
2 compliance with applicable State and federal environmental
3 requirements, including, but not limited to:

4 (A) storing, securing, and managing all
5 recyclables and waste, including organic waste
6 composed of or containing finished cannabis and
7 cannabis products, in accordance with applicable State
8 and local laws, ordinances, and rules; and

9 (B) Disposing liquid waste containing cannabis or
10 byproducts of cannabis processing in compliance with
11 all applicable State and federal requirements,
12 including, but not limited to, the cannabis
13 cultivation facility's permits under Title X of the
14 Environmental Protection Act.

15 (21) a commitment to a technology standard for resource
16 efficiency of the craft grower facility.

17 (A) A craft grower facility commits to use
18 resources efficiently, including energy and water. For
19 the following, a cannabis cultivation facility commits
20 to meet or exceed the technology standard identified in
21 paragraphs (i), (ii), (iii), and (iv), which may be
22 modified by rule:

23 (i) lighting systems, including light bulbs;

24 (ii) HVAC system;

25 (iii) water application system to the crop;

26 and

1 (iv) filtration system for removing
2 contaminants from wastewater.

3 (B) Lighting. The Lighting Power Densities (LPD)
4 for cultivation space commits to not exceed an average
5 of 36 watts per gross square foot of active and growing
6 space canopy, or all installed lighting technology
7 shall meet a photosynthetic photon efficacy (PPE) of no
8 less than 2.2 micromoles per joule fixture and shall be
9 featured on the DesignLights Consortium (DLC)
10 Horticultural Specification Qualified Products List
11 (QPL). In the event that DLC requirement for minimum
12 efficacy exceeds 2.2 micromoles per joule fixture,
13 that PPE shall become the new standard.

14 (C) HVAC.

15 (i) For cannabis grow operations with less
16 than 6,000 square feet of canopy, the licensee
17 commits that all HVAC units will be
18 high-efficiency ductless split HVAC units, or
19 other more energy efficient equipment.

20 (ii) For cannabis grow operations with 6,000
21 square feet of canopy or more, the licensee commits
22 that all HVAC units will be variable refrigerant
23 flow HVAC units, or other more energy efficient
24 equipment.

25 (D) Water application.

26 (i) The craft grower facility commits to use

1 automated watering systems, including, but not
2 limited to, drip irrigation and flood tables, to
3 irrigate cannabis crop.

4 (ii) The craft grower facility commits to
5 measure runoff from watering events and report
6 this volume in its water usage plan, and that on
7 average, watering events shall have no more than
8 20% of runoff of water.

9 (E) Filtration. The craft grower commits that HVAC
10 condensate, dehumidification water, excess runoff, and
11 other wastewater produced by the craft grower facility
12 shall be captured and filtered to the best of the
13 facility's ability to achieve the quality needed to be
14 reused in subsequent watering rounds.

15 (F) Reporting energy use and efficiency as
16 required by rule; and

17 (22) any other information required by rule.

18 (b) Applicants must submit all required information,
19 including the information required in Section 30-15, to the
20 Department of Agriculture. Failure by an applicant to submit
21 all required information may result in the application being
22 disqualified.

23 (c) If the Department of Agriculture receives an
24 application with missing information, the Department of
25 Agriculture may issue a deficiency notice to the applicant. The
26 applicant shall have 10 calendar days from the date of the

1 deficiency notice to resubmit the incomplete information.
2 Applications that are still incomplete after this opportunity
3 to cure will not be scored and will be disqualified.

4 Section 30-15. Scoring applications.

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

11 (1) Suitability of the proposed facility;

12 (2) Suitability of the employee training plan;

13 (3) Security and recordkeeping;

14 (4) Cultivation plan;

15 (5) Product safety and labeling plan;

16 (6) Business plan;

17 (7) The applicant's status as a Social Equity
18 Applicant, which shall constitute no less than 20% of total
19 available points;

20 (8) Labor and employment practices, which shall
21 constitute no less than 2% of total available points;

22 (9) Environmental plan as described in paragraphs
23 (18), (19), (20), and (21) of subsection (a) of Section
24 30-10;

25 (10) The applicant is 51% or more owned and controlled

1 by an individual or individuals who have been an Illinois
2 resident for the past 5 years as proved by tax records;

3 (11) The applicant is 51% or more controlled and owned
4 by an individual or individuals who meet the qualifications
5 of a veteran as defined in Section 45-57 of the Illinois
6 Procurement Code;

7 (12) A diversity plan that includes a narrative of not
8 more than 2,500 words that establishes a goal of diversity
9 in ownership, management, employment, and contracting to
10 ensure that diverse participants and groups are afforded
11 equality of opportunity; and

12 (13) Any other criteria the Department of Agriculture
13 may set by rule for points.

14 (b) The Department may also award up to 2 bonus points for
15 the applicant's plan to engage with the community. The
16 applicant may demonstrate a desire to engage with its community
17 by participating in one or more of, but not limited to, the
18 following actions: (i) establishment of an incubator program
19 designed to increase participation in the cannabis industry by
20 persons who would qualify as Social Equity Applicants; (ii)
21 providing financial assistance to substance abuse treatment
22 centers; (iii) educating children and teens about the potential
23 harms of cannabis use; or (iv) other measures demonstrating a
24 commitment to the applicant's community. Bonus points will only
25 be awarded if the Department receives applications that receive
26 an equal score for a particular region.

1 (c) Should the applicant be awarded a craft grower license,
2 the information and plans that an applicant provided in its
3 application, including any plans submitted for the acquiring of
4 bonus points, shall be a mandatory condition of the license.
5 Any variation from or failure to perform such plans may result
6 in discipline, including the revocation or nonrenewal of a
7 license.

8 (d) Should the applicant be awarded a craft grower license,
9 the applicant shall pay a prorated fee of \$40,000 prior to
10 receiving the license, to be deposited into the Cannabis
11 Regulation Fund. The Department of Agriculture may by rule
12 adjust the fee in this Section after January 1, 2021.

13 Section 30-20. Issuance of license to certain persons
14 prohibited.

15 (a) No craft grower license issued by the Department of
16 Agriculture shall be issued to a person who is licensed by any
17 licensing authority as a cultivation center, or to any
18 partnership, corporation, limited liability company, or trust
19 or any subsidiary, affiliate, or any other form of business
20 enterprise having more than 10% legal, equitable, or beneficial
21 interest, directly or indirectly, in a person licensed in this
22 State as a cultivation center, or to any principal officer,
23 agent, employee, or human being with any form of ownership or
24 control over a cultivation center except for a person who owns
25 no more than 5% of the outstanding shares of a cultivation

1 center whose shares are publicly traded on an exchange within
2 the meaning of the Securities Exchange Act of 1934.

3 (b) A person who is licensed in this State as a craft
4 grower, or any partnership, corporation, limited liability
5 company, or trust or any subsidiary, affiliate, or agent
6 thereof, or any other form of business enterprise licensed in
7 this State as a craft grower shall not have more than 10%
8 legal, equitable, or beneficial interest, directly or
9 indirectly, in a person licensed as a cultivation center, nor
10 shall any partnership, corporation, limited liability company,
11 or trust or any subsidiary, affiliate, or any other form of
12 business enterprise having any legal, equitable, or beneficial
13 interest, directly or indirectly, in a person licensed in this
14 State as a craft grower or a craft grower agent be a principal
15 officer, agent, employee, or human being with any form of
16 ownership or control over a cultivation center except for a
17 person who owns no more than 5% of the outstanding shares of a
18 cultivation center whose shares are publicly traded on an
19 exchange within the meaning of the Securities Exchange Act of
20 1934.

21 Section 30-25. Denial of application. An application for a
22 craft grower license must be denied if any of the following
23 conditions are met:

24 (1) the applicant failed to submit the materials
25 required by this Article;

1 (2) the applicant would not be in compliance with local
2 zoning rules;

3 (3) one or more of the prospective principal officers
4 or board members causes a violation of Section 30-20 of
5 this Article;

6 (4) one or more of the principal officers or board
7 members is under 21 years of age;

8 (5) the person has submitted an application for a
9 license under this Act that contains false information; or

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

15 Section 30-30. Craft grower requirements; prohibitions.

16 (a) The operating documents of a craft grower shall include
17 procedures for the oversight of the craft grower, a cannabis
18 plant monitoring system including a physical inventory
19 recorded weekly, accurate recordkeeping, and a staffing plan.

20 (b) A craft grower shall implement a security plan reviewed
21 by the Department of State Police that includes, but is not
22 limited to: facility access controls, perimeter intrusion
23 detection systems, personnel identification systems, and a
24 24-hour surveillance system to monitor the interior and
25 exterior of the craft grower facility and that is accessible to

1 authorized law enforcement and the Department of Agriculture in
2 real time.

3 (c) All cultivation of cannabis by a craft grower must take
4 place in an enclosed, locked facility at the physical address
5 provided to the Department of Agriculture during the licensing
6 process. The craft grower location shall only be accessed by
7 the agents working for the craft grower, the Department of
8 Agriculture staff performing inspections, the Department of
9 Public Health staff performing inspections, State and local law
10 enforcement or other emergency personnel, contractors working
11 on jobs unrelated to cannabis, such as installing or
12 maintaining security devices or performing electrical wiring,
13 transporting organization agents as provided in this Act, or
14 participants in the incubator program, individuals in a
15 mentoring or educational program approved by the State, or
16 other individuals as provided by rule. However, if a craft
17 grower shares a premises with an infuser or dispensing
18 organization, agents from those other licensees may access the
19 craft grower portion of the premises if that is the location of
20 common bathrooms, lunchrooms, locker rooms, or other areas of
21 the building where work or cultivation of cannabis is not
22 performed. At no time may an infuser or dispensing organization
23 agent perform work at a craft grower without being a registered
24 agent of the craft grower.

25 (d) A craft grower may not sell or distribute any cannabis
26 to any person other than a cultivation center, a craft grower,

1 an infuser organization, a dispensing organization, or as
2 otherwise authorized by rule.

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

5 (f) A craft grower may not either directly or indirectly
6 discriminate in price between different cannabis business
7 establishments that are purchasing a like grade, strain, brand,
8 and quality of cannabis or cannabis-infused product. Nothing in
9 this subsection (f) prevents a craft grower from pricing
10 cannabis differently based on differences in the cost of
11 manufacturing or processing, the quantities sold, such as
12 volume discounts, or the way the products are delivered.

13 (g) All cannabis harvested by a craft grower and intended
14 for distribution to a dispensing organization must be entered
15 into a data collection system, packaged and labeled under
16 Section 55-21, and, if distribution is to a dispensing
17 organization that does not share a premises with the dispensing
18 organization receiving the cannabis, placed into a cannabis
19 container for transport. All cannabis harvested by a craft
20 grower and intended for distribution to a cultivation center,
21 to an infuser organization, or to a craft grower with which it
22 does not share a premises, must be packaged in a labeled
23 cannabis container and entered into a data collection system
24 before transport.

25 (h) Craft growers are subject to random inspections by the
26 Department of Agriculture, local safety or health inspectors,

1 and the Department of State Police.

2 (i) A craft grower agent shall notify local law
3 enforcement, the Department of State Police, and the Department
4 of Agriculture within 24 hours of the discovery of any loss or
5 theft. Notification shall be made by phone, in person, or
6 written or electronic communication.

7 (j) A craft grower shall comply with all State and any
8 applicable federal rules and regulations regarding the use of
9 pesticides.

10 (k) A craft grower or craft grower agent shall not
11 transport cannabis or cannabis-infused products to any other
12 cannabis business establishment without a transport
13 organization license unless:

14 (i) If the craft grower is located in a county with a
15 population of 3,000,000 or more, the cannabis business
16 establishment receiving the cannabis is within 2,000 feet
17 of the property line of the craft grower;

18 (ii) If the craft grower is located in a county with a
19 population of more than 700,000 but fewer than 3,000,000,
20 the cannabis business establishment receiving the cannabis
21 is within 2 miles of the craft grower; or

22 (iii) If the craft grower is located in a county with a
23 population of fewer than 700,000, the cannabis business
24 establishment receiving the cannabis is within 15 miles of
25 the craft grower.

26 (l) A craft grower may enter into a contract with a

1 transporting organization to transport cannabis to a
2 cultivation center, a craft grower, an infuser organization, a
3 dispensing organization, or a laboratory.

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

19 (n) It is unlawful for any person having a craft grower
20 license or any officer, associate, member, representative, or
21 agent of the licensee to offer or deliver money, or anything
22 else of value, directly or indirectly, to any person having an
23 Early Approval Adult Use Dispensing Organization License, a
24 Conditional Adult Use Dispensing Organization License, an
25 Adult Use Dispensing Organization License, or a medical
26 cannabis dispensing organization license issued under the

1 Compassionate Use of Medical Cannabis Pilot Program Act, or to
2 any person connected with or in any way representing, or to any
3 member of the family of, the person holding an Early Approval
4 Adult Use Dispensing Organization License, a Conditional Adult
5 Use Dispensing Organization License, an Adult Use Dispensing
6 Organization License, or a medical cannabis dispensing
7 organization license issued under the Compassionate Use of
8 Medical Cannabis Pilot Program Act, or to any stockholders in
9 any corporation engaged in the retail sale of cannabis, or to
10 any officer, manager, agent, or representative of the Early
11 Approval Adult Use Dispensing Organization License, a
12 Conditional Adult Use Dispensing Organization License, an
13 Adult Use Dispensing Organization License, or a medical
14 cannabis dispensing organization license issued under the
15 Compassionate Use of Medical Cannabis Pilot Program Act to
16 obtain preferential placement within the dispensing
17 organization, including, without limitation, on shelves and in
18 display cases where purchasers can view products, or on the
19 dispensing organization's website.

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

22 (p) A graft grower may process cannabis, cannabis
23 concentrates, and cannabis-infused products.

24 (q) A craft grower must comply with any other requirements
25 or prohibitions set by administrative rule of the Department of
26 Agriculture.

1 Section 30-35. Craft grower agent identification card.

2 (a) The Department of Agriculture shall:

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

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

14 (3) issue an agent identification card to a qualifying
15 agent within 15 business days of approving the initial
16 application or renewal application;

17 (4) enter the license number of the craft grower where
18 the agent works; and

19 (5) allow for an electronic initial application and
20 renewal application process, and provide a confirmation by
21 electronic or other methods that an application has been
22 submitted. The Department of Agriculture may by rule
23 require prospective agents to file their applications by
24 electronic means and provide notices to the agents by
25 electronic means.

1 (b) An agent must keep his or her identification card
2 visible at all times when on the property of a cannabis
3 business establishment, including the craft grower
4 organization for which he or she is an agent.

5 (c) The agent identification cards shall contain the
6 following:

7 (1) the name of the cardholder;

8 (2) the date of issuance and expiration date of the
9 identification card;

10 (3) a random 10-digit alphanumeric identification
11 number containing at least 4 numbers and at least 4 letters
12 that is unique to the holder;

13 (4) a photograph of the cardholder; and

14 (5) the legal name of the craft grower organization
15 employing the agent.

16 (d) An agent identification card shall be immediately
17 returned to the cannabis business establishment of the agent
18 upon termination of his or her employment.

19 (e) Any agent identification card lost by a craft grower
20 agent shall be reported to the Department of State Police and
21 the Department of Agriculture immediately upon discovery of the
22 loss.

23 Section 30-40. Craft grower background checks.

24 (a) Through the Department of State Police, the Department
25 of Agriculture shall conduct a background check of the

1 prospective principal officers, board members, and agents of a
2 craft grower applying for a license or identification card
3 under this Act. The Department of State Police shall charge a
4 fee set by rule for conducting the criminal history record
5 check, which shall be deposited into the State Police Services
6 Fund and shall not exceed the actual cost of the record check.
7 In order to carry out this Section, each craft grower
8 organization's prospective principal officer, board member, or
9 agent shall submit a full set of fingerprints to the Department
10 of State Police for the purpose of obtaining a State and
11 federal criminal records check. These fingerprints shall be
12 checked against the fingerprint records now and hereafter, to
13 the extent allowed by law, filed in the Department of State
14 Police and Federal Bureau of Investigation criminal history
15 records databases. The Department of State Police shall
16 furnish, following positive identification, all conviction
17 information to the Department of Agriculture.

18 (b) When applying for the initial license or identification
19 card, the background checks for all prospective principal
20 officers, board members, and agents shall be completed before
21 submitting the application to the licensing or issuing agency.

22 Section 30-45. Renewal of craft grower licenses and agent
23 identification cards.

24 (a) Licenses and identification cards issued under this Act
25 shall be renewed annually. A craft grower shall receive written

1 or electronic notice 90 days before the expiration of its
2 current license that the license will expire. The Department of
3 Agriculture shall grant a renewal within 45 days of submission
4 of a renewal application if:

5 (1) the craft grower submits a renewal application and
6 the required nonrefundable renewal fee of \$40,000, or
7 another amount as the Department of Agriculture may set by
8 rule after January 1, 2021;

9 (2) the Department of Agriculture has not suspended the
10 license of the craft grower or suspended or revoked the
11 license for violating this Act or rules adopted under this
12 Act;

13 (3) the craft grower has continued to operate in
14 accordance with all plans submitted as part of its
15 application and approved by the Department of Agriculture
16 or any amendments thereto that have been approved by the
17 Department of Agriculture;

18 (4) the craft grower has submitted an agent, employee,
19 contracting, and subcontracting diversity report as
20 required by the Department; and

21 (5) the craft grower has submitted an environmental
22 impact report.

23 (b) If a craft grower fails to renew its license before
24 expiration, it shall cease operations until its license is
25 renewed.

26 (c) If a craft grower agent fails to renew his or her

1 identification card before its expiration, he or she shall
2 cease to work as an agent of the craft grower organization
3 until his or her identification card is renewed.

4 (d) Any craft grower that continues to operate, or any
5 craft grower agent who continues to work as an agent, after the
6 applicable license or identification card has expired without
7 renewal is subject to the penalties provided under Section
8 45-5.

9 (e) All fees or fines collected from the renewal of a craft
10 grower license shall be deposited into the Cannabis Regulation
11 Fund.

12 Section 30-50. Craft grower taxes; returns.

13 (a) A tax is imposed upon the privilege of cultivating and
14 processing adult use cannabis at the rate of 7% of the gross
15 receipts from the sale of cannabis by a craft grower to a
16 dispensing organization. The sale of any adult use product that
17 contains any amount of cannabis or any derivative thereof is
18 subject to the tax under this Section on the full selling price
19 of the product. The proceeds from this tax shall be deposited
20 into the Cannabis Regulation Fund. This tax shall be paid by
21 the craft grower who makes the first sale and is not the
22 responsibility of a dispensing organization, qualifying
23 patient, or purchaser.

24 (b) In the administration of and compliance with this
25 Section, the Department of Revenue and persons who are subject

1 to this Section: (i) have the same rights, remedies,
2 privileges, immunities, powers, and duties, (ii) are subject to
3 the same conditions, restrictions, limitations, penalties, and
4 definitions of terms, and (iii) shall employ the same modes of
5 procedure as are set forth in the Cannabis Cultivation
6 Privilege Tax Law and the Uniform Penalty and Interest Act as
7 if those provisions were set forth in this Section.

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

12 ARTICLE 35.

13 INFUSER ORGANIZATIONS

14 Section 35-3. Definitions. In this Article:

15 "Department" means the Department of Agriculture.

16 Section 35-5. Issuance of licenses.

17 (a) The Department of Agriculture shall issue up to 40
18 infuser licenses through a process provided for in this Article
19 no later than July 1, 2020.

20 (b) The Department of Agriculture shall make the
21 application for infuser licenses available on January 7, 2020,
22 or if that date falls on a weekend or holiday, the business day
23 immediately succeeding the weekend or holiday and every January

1 7 or succeeding business day thereafter, and shall receive such
2 applications no later than March 15, 2020, or, if that date
3 falls on a weekend or holiday, the business day immediately
4 succeeding the weekend or holiday and every March 15 or
5 succeeding business day thereafter.

6 (c) By December 21, 2021, the Department of Agriculture may
7 issue up to 60 additional infuser licenses. Prior to issuing
8 such licenses, the Department may adopt rules through emergency
9 rulemaking in accordance with subsection (gg) of Section 5-45
10 of the Illinois Administrative Procedure Act, to modify or
11 raise the number of infuser licenses and modify or change the
12 licensing application process to reduce or eliminate barriers.
13 The General Assembly finds that the adoption of rules to
14 regulate cannabis use is deemed an emergency and necessary for
15 the public interest, safety, and welfare.

16 In determining whether to exercise the authority granted by
17 this subsection, the Department of Agriculture must consider
18 the following factors:

19 (1) the percentage of cannabis sales occurring in
20 Illinois not in the regulated market using data from the
21 Substance Abuse and Mental Health Services Administration,
22 National Survey on Drug Use and Health, Illinois Behavioral
23 Risk Factor Surveillance System, and tourism data from the
24 Illinois Office of Tourism to ascertain total cannabis
25 consumption in Illinois compared to the amount of sales in
26 licensed dispensing organizations;

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

4 (3) whether there is an adequate supply of cannabis and
5 cannabis-infused products to serve purchasers:

6 (4) whether there is an oversupply of cannabis in
7 Illinois leading to trafficking of cannabis to any other
8 state;

9 (5) population increases or shifts;

10 (6) changes to federal law;

11 (7) perceived security risks of increasing the number
12 or location of infuser organizations;

13 (8) the past security records of infuser
14 organizations;

15 (9) the Department of Agriculture's capacity to
16 appropriately regulate additional licenses;

17 (10) the findings and recommendations from the
18 disparity and availability study commissioned by the
19 Illinois Cannabis Regulation Oversight Officer to reduce
20 or eliminate any identified barriers to entry in the
21 cannabis industry; and

22 (11) any other criteria the Department of Agriculture
23 deems relevant.

24 (d) After January 1, 2022, the Department of Agriculture
25 may by rule modify or raise the number of infuser licenses, and
26 modify or change the licensing application process to reduce or

1 eliminate barriers based on the criteria in subsection (c).

2 Section 35-10. Application.

3 (a) When applying for a license, the applicant shall
4 electronically submit the following in such form as the
5 Department of Agriculture may direct:

6 (1) the nonrefundable application fee of \$5,000 or,
7 after January 1, 2021, another amount as set by rule by the
8 Department of Agriculture, to be deposited into the
9 Cannabis Regulation Fund;

10 (2) the legal name of the infuser;

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

12 (4) the name, address, social security number, and date
13 of birth of each principal officer and board member of the
14 infuser; each principal officer and board member shall be
15 at least 21 years of age;

16 (5) the details of any administrative or judicial
17 proceeding in which any of the principal officers or board
18 members of the infuser (i) pled guilty, were convicted,
19 fined, or had a registration or license suspended or
20 revoked, or (ii) managed or served on the board of a
21 business or non-profit organization that pled guilty, was
22 convicted, fined, or had a registration or license
23 suspended or revoked;

24 (6) proposed operating bylaws that include procedures
25 for the oversight of the infuser, including the development

1 and implementation of a plant monitoring system, accurate
2 recordkeeping, staffing plan, and security plan approved
3 by the Department of State Police that are in accordance
4 with the rules issued by the Department of Agriculture
5 under this Act; a physical inventory of all cannabis shall
6 be performed on a weekly basis by the infuser;

7 (7) verification from the Department of State Police
8 that all background checks of the prospective principal
9 officers, board members, and agents of the infuser
10 organization have been conducted;

11 (8) a copy of the current local zoning ordinance and
12 verification that the proposed infuser is in compliance
13 with the local zoning rules and distance limitations
14 established by the local jurisdiction;

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

20 (10) whether an applicant can demonstrate experience
21 in or business practices that promote economic empowerment
22 in Disproportionately Impacted Areas;

23 (11) experience with infusing products with cannabis
24 concentrate;

25 (12) a description of the enclosed, locked facility
26 where cannabis will be infused, packaged, or otherwise

1 prepared for distribution to a dispensing organization or
2 other infuser;

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

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

7 (15) a list of any academic degrees, certifications, or
8 relevant experience of all prospective principal officers,
9 board members, and agents of the related business;

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

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

18 (i) energy needs, including estimates of monthly
19 electricity and gas usage, to what extent it will
20 procure energy from a local utility or from on-site
21 generation, and if it has or will adopt a sustainable
22 energy use and energy conservation policy;

23 (ii) water needs, including estimated water draw,
24 and if it has or will adopt a sustainable water use and
25 water conservation policy; and

26 (iii) waste management, including if it has or will

1 adopt a waste reduction policy;

2 (18) a recycling plan:

3 (A) a commitment that any recyclable waste
4 generated by the infuser shall be recycled per
5 applicable State and local laws, ordinances, and
6 rules; and

7 (B) a commitment to comply with local waste
8 provisions. An infuser commits to remain in compliance
9 with applicable State and federal environmental
10 requirements, including, but not limited to, storing,
11 securing, and managing all recyclables and waste,
12 including organic waste composed of or containing
13 finished cannabis and cannabis products, in accordance
14 with applicable State and local laws, ordinances, and
15 rules; and

16 (19) any other information required by rule.

17 (b) Applicants must submit all required information,
18 including the information required in Section 35-15, to the
19 Department of Agriculture. Failure by an applicant to submit
20 all required information may result in the application being
21 disqualified.

22 (c) If the Department of Agriculture receives an
23 application with missing information, the Department of
24 Agriculture may issue a deficiency notice to the applicant. The
25 applicant shall have 10 calendar days from the date of the
26 deficiency notice to resubmit the incomplete information.

1 Applications that are still incomplete after this opportunity
2 to cure will not be scored and will be disqualified.

3 Section 35-15. Issuing licenses.

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

9 (1) Suitability of the proposed facility;

10 (2) Suitability of the employee training plan;

11 (3) Security and recordkeeping plan;

12 (4) Infusing plan;

13 (5) Product safety and labeling plan;

14 (6) Business plan;

15 (7) The applicant's status as a Social Equity
16 Applicant, which shall constitute no less than 20% of total
17 available points;

18 (8) Labor and employment practices, which shall
19 constitute no less than 2% of total available points;

20 (9) Environmental plan as described in paragraphs (17)
21 and (18) of subsection (a) of Section 35-10;

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

25 (11) The applicant is 51% or more controlled and owned

1 by an individual or individuals who meet the qualifications
2 of a veteran as defined by Section 45-57 of the Illinois
3 Procurement Code; and

4 (12) A diversity plan that includes a narrative of not
5 more than 2,500 words that establishes a goal of diversity
6 in ownership, management, employment, and contracting to
7 ensure that diverse participants and groups are afforded
8 equality of opportunity; and

9 (13) Any other criteria the Department of Agriculture
10 may set by rule for points.

11 (b) The Department may also award up to 2 bonus points for
12 the applicant's plan to engage with the community. The
13 applicant may demonstrate a desire to engage with its community
14 by participating in one or more of, but not limited to, the
15 following actions: (i) establishment of an incubator program
16 designed to increase participation in the cannabis industry by
17 persons who would qualify as Social Equity Applicants; (ii)
18 providing financial assistance to substance abuse treatment
19 centers; (iii) educating children and teens about the potential
20 harms of cannabis use; or (iv) other measures demonstrating a
21 commitment to the applicant's community. Bonus points will only
22 be awarded if the Department receives applications that receive
23 an equal score for a particular region.

24 (c) Should the applicant be awarded an infuser license, the
25 information and plans that an applicant provided in its
26 application, including any plans submitted for the acquiring of

1 bonus points, becomes a mandatory condition of the permit. Any
2 variation from or failure to perform such plans may result in
3 discipline, including the revocation or nonrenewal of a
4 license.

5 (d) Should the applicant be awarded an infuser organization
6 license, it shall pay a fee of \$5,000 prior to receiving the
7 license, to be deposited into the Cannabis Regulation Fund. The
8 Department of Agriculture may by rule adjust the fee in this
9 Section after January 1, 2021.

10 Section 35-20. Denial of application. An application for an
11 infuser license shall be denied if any of the following
12 conditions are met:

13 (1) the applicant failed to submit the materials
14 required by this Article;

15 (2) the applicant would not be in compliance with local
16 zoning rules or permit requirements;

17 (3) one or more of the prospective principal officers
18 or board members causes a violation of Section 35-25.

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

21 (5) the person has submitted an application for a
22 license under this Act or this Article that contains false
23 information; or

24 (6) if the licensee; principal officer, board member,
25 or person having a financial or voting interest of 5% or

1 greater in the licensee; or agent is delinquent in filing
2 any required tax returns or paying any amounts owed to the
3 State of Illinois.

4 Section 35-25. Infuser organization requirements;
5 prohibitions.

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

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

18 (c) All processing of cannabis by an infuser must take
19 place in an enclosed, locked facility at the physical address
20 provided to the Department of Agriculture during the licensing
21 process. The infuser location shall only be accessed by the
22 agents working for the infuser, the Department of Agriculture
23 staff performing inspections, the Department of Public Health
24 staff performing inspections, State and local law enforcement
25 or other emergency personnel, contractors working on jobs

1 unrelated to cannabis, such as installing or maintaining
2 security devices or performing electrical wiring, transporting
3 organization agents as provided in this Act, participants in
4 the incubator program, individuals in a mentoring or
5 educational program approved by the State, local safety or
6 health inspectors, or other individuals as provided by rule.
7 However, if an infuser shares a premises with a craft grower or
8 dispensing organization, agents from these other licensees may
9 access the infuser portion of the premises if that is the
10 location of common bathrooms, lunchrooms, locker rooms, or
11 other areas of the building where processing of cannabis is not
12 performed. At no time may a craft grower or dispensing
13 organization agent perform work at an infuser without being a
14 registered agent of the infuser.

15 (d) An infuser may not sell or distribute any cannabis to
16 any person other than a dispensing organization, or as
17 otherwise authorized by rule.

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

26 (f) All cannabis infused by an infuser and intended for

1 distribution to a dispensing organization must be entered into
2 a data collection system, packaged and labeled under Section
3 55-21, and, if distribution is to a dispensing organization
4 that does not share a premises with the infuser, placed into a
5 cannabis container for transport. All cannabis produced by an
6 infuser and intended for distribution to a cultivation center,
7 infuser organization, or craft grower with which it does not
8 share a premises, must be packaged in a labeled cannabis
9 container and entered into a data collection system before
10 transport.

11 (g) Infusers are subject to random inspections by the
12 Department of Agriculture, the Department of Public Health, the
13 Department of State Police, and local law enforcement.

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

19 (i) An infuser organization may not be located in an area
20 zoned for residential use.

21 (j) An infuser or infuser agent shall not transport
22 cannabis or cannabis-infused products to any other cannabis
23 business establishment without a transport organization
24 license unless:

25 (i) If the infuser is located in a county with a
26 population of 3,000,000 or more, the cannabis business

1 establishment receiving the cannabis or cannabis-infused
2 product is within 2,000 feet of the property line of the
3 infuser;

4 (ii) If the infuser is located in a county with a
5 population of more than 700,000 but fewer than 3,000,000,
6 the cannabis business establishment receiving the cannabis
7 or cannabis-infused product is within 2 miles of the
8 infuser; or

9 (iii) If the infuser is located in a county with a
10 population of fewer than 700,000, the cannabis business
11 establishment receiving the cannabis or cannabis-infused
12 product is within 15 miles of the infuser.

13 (k) An infuser may enter into a contract with a
14 transporting organization to transport cannabis to a
15 dispensing organization or a laboratory.

16 (l) An infuser organization may share premises with a craft
17 grower or a dispensing organization, or both, provided each
18 licensee stores currency and cannabis or cannabis-infused
19 products in a separate secured vault to which the other
20 licensee does not have access or all licensees sharing a vault
21 share more than 50% of the same ownership.

22 (m) It is unlawful for any person or entity having an
23 infuser organization license or any officer, associate,
24 member, representative or agent of such licensee to offer or
25 deliver money, or anything else of value, directly or
26 indirectly to any person having an Early Approval Adult Use

1 Dispensing Organization License, a Conditional Adult Use
2 Dispensing Organization License, an Adult Use Dispensing
3 Organization License, or a medical cannabis dispensing
4 organization license issued under the Compassionate Use of
5 Medical Cannabis Pilot Program Act, or to any person connected
6 with or in any way representing, or to any member of the family
7 of, such person holding an Early Approval Adult Use Dispensing
8 Organization License, a Conditional Adult Use Dispensing
9 Organization License, an Adult Use Dispensing Organization
10 License, or a medical cannabis dispensing organization license
11 issued under the Compassionate Use of Medical Cannabis Pilot
12 Program Act, or to any stockholders in any corporation engaged
13 the retail sales of cannabis, or to any officer, manager,
14 agent, or representative of the Early Approval Adult Use
15 Dispensing Organization License, a Conditional Adult Use
16 Dispensing Organization License, an Adult Use Dispensing
17 Organization License, or a medical cannabis dispensing
18 organization license issued under the Compassionate Use of
19 Medical Cannabis Pilot Program Act to obtain preferential
20 placement within the dispensing organization, including,
21 without limitation, on shelves and in display cases where
22 purchasers can view products, or on the dispensing
23 organization's website.

24 (n) At no time shall an infuser organization or an infuser
25 agent perform the extraction of cannabis concentrate from
26 cannabis flower.

1 Section 35-30. Infuser agent identification card.

2 (a) The Department of Agriculture shall:

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

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

14 (3) issue an agent identification card to a qualifying
15 agent within 15 business days of approving the initial
16 application or renewal application;

17 (4) enter the license number of the infuser where the
18 agent works; and

19 (5) allow for an electronic initial application and
20 renewal application process, and provide a confirmation by
21 electronic or other methods that an application has been
22 submitted. The Department of Agriculture may by rule
23 require prospective agents to file their applications by
24 electronic means and provide notices to the agents by
25 electronic means.

1 (b) An agent must keep his or her identification card
2 visible at all times when on the property of a cannabis
3 business establishment including the cannabis business
4 establishment for which he or she is an agent.

5 (c) The agent identification cards shall contain the
6 following:

7 (1) the name of the cardholder;

8 (2) the date of issuance and expiration date of the
9 identification card;

10 (3) a random 10-digit alphanumeric identification
11 number containing at least 4 numbers and at least 4 letters
12 that is unique to the holder;

13 (4) a photograph of the cardholder; and

14 (5) the legal name of the infuser organization
15 employing the agent.

16 (d) An agent identification card shall be immediately
17 returned to the infuser organization of the agent upon
18 termination of his or her employment.

19 (e) Any agent identification card lost by a transporting
20 agent shall be reported to the Department of State Police and
21 the Department of Agriculture immediately upon discovery of the
22 loss.

23 Section 35-31. Ensuring an adequate supply of raw materials
24 to serve infusers.

25 (a) As used in this Section, "raw materials" includes, but

1 is not limited to, CO₂ hash oil, "crude", "distillate", or any
2 other cannabis concentrate extracted from cannabis flower by
3 use of a solvent or a mechanical process.

4 (b) The Department of Agriculture may by rule design a
5 method for assessing whether licensed infusers have access to
6 an adequate supply of reasonably affordable raw materials,
7 which may include but not be limited to: (i) a survey of
8 infusers; (ii) a market study on the sales trends of
9 cannabis-infused products manufactured by infusers; and (iii)
10 the costs cultivation centers and craft growers assume for the
11 raw materials they use in any cannabis-infused products they
12 manufacture.

13 (c) 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, 2022 and shall conclude no later than
17 April 1, 2022. The Department of Agriculture may rely on data
18 from the Illinois Cannabis Regulation Oversight Officer as part
19 of this assessment.

20 (d) The Department of Agriculture shall perform an
21 assessment of whether infusers have access to an adequate
22 supply of reasonably affordable raw materials that shall start
23 no sooner than January 1, 2023 and shall conclude no later than
24 April 1, 2023. The Department of Agriculture may rely on data
25 from the Cannabis Regulation Oversight Officer as part of this
26 assessment.

1 (e) The Department of Agriculture may by rule adopt
2 measures to ensure infusers have access to an adequate supply
3 of reasonably affordable raw materials necessary for the
4 manufacture of cannabis-infused products. Such measures may
5 include, but not be limited to (i) requiring cultivation
6 centers and craft growers to set aside a minimum amount of raw
7 materials for the wholesale market or (ii) enabling infusers to
8 apply for a processor license to extract raw materials from
9 cannabis flower.

10 (f) If the Department of Agriculture determines processor
11 licenses may be available to infusing organizations based upon
12 findings made pursuant to subsection (e), infuser
13 organizations may submit to the Department of Agriculture on
14 forms provided by the Department of Agriculture the following
15 information as part of an application to receive a processor
16 license:

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

20 (2) a description of the applicant's experience with
21 manufacturing equipment and chemicals to be used in
22 processing;

23 (3) expertise in relevant scientific fields;

24 (4) a commitment that any cannabis waste, liquid waste,
25 or hazardous waste shall be disposed of in accordance with
26 8 Ill. Adm. Code 1000.460, except, to the greatest extent

1 feasible, all cannabis plant waste will be rendered
2 unusable by grinding and incorporating the cannabis plant
3 waste with compostable mixed waste to be disposed of in
4 accordance with Ill. Adm. Code 1000.460(g)(1); and

5 (5) any other information the Department of
6 Agriculture deems relevant.

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

15 Section 35-35. Infuser organization background checks.

16 (a) Through the Department of State Police, the Department
17 of Agriculture shall conduct a background check of the
18 prospective principal officers, board members, and agents of an
19 infuser applying for a license or identification card under
20 this Act. The Department of State Police shall charge a fee set
21 by rule for conducting the criminal history record check, which
22 shall be deposited into the State Police Services Fund and
23 shall not exceed the actual cost of the record check. In order
24 to carry out this provision, each infuser organization's
25 prospective principal officer, board member, or agent shall

1 submit a full set of fingerprints to the Department of State
2 Police for the purpose of obtaining a State and federal
3 criminal records check. These fingerprints shall be checked
4 against the fingerprint records now and hereafter, to the
5 extent allowed by law, filed in the Department of State Police
6 and Federal Bureau of Investigation criminal history records
7 databases. The Department of State Police shall furnish,
8 following positive identification, all conviction information
9 to the Department of Agriculture.

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

14 Section 35-40. Renewal of infuser organization licenses
15 and agent identification cards.

16 (a) Licenses and identification cards issued under this Act
17 shall be renewed annually. An infuser organization shall
18 receive written or electronic notice 90 days before the
19 expiration of its current license that the license will expire.
20 The Department of Agriculture shall grant a renewal within 45
21 days of submission of a renewal application if:

22 (1) the infuser organization submits a renewal
23 application and the required nonrefundable renewal fee of
24 \$20,000, or, after January 1, 2021, another amount set by
25 rule by the Department of Agriculture, to be deposited into

1 the Cannabis Regulation Fund;

2 (2) the Department of Agriculture has not suspended or
3 revoked the license of the infuser organization for
4 violating this Act or rules adopted under this Act;

5 (3) the infuser organization has continued to operate
6 in accordance with all plans submitted as part of its
7 application and approved by the Department of Agriculture
8 or any amendments thereto that have been approved by the
9 Department of Agriculture;

10 (4) The infuser has submitted an agent, employee,
11 contracting, and subcontracting diversity report as
12 required by the Department; and

13 (5) The infuser has submitted an environmental impact
14 report.

15 (b) If an infuser organization fails to renew its license
16 before expiration, it shall cease operations until its license
17 is renewed.

18 (c) If an infuser organization agent fails to renew his or
19 her identification card before its expiration, he or she shall
20 cease to work as an agent of the infuser organization until his
21 or her identification card is renewed.

22 (d) Any infuser organization that continues to operate, or
23 any infuser organization agent who continues to work as an
24 agent, after the applicable license or identification card has
25 expired without renewal is subject to the penalties provided
26 under Section 35-25.

1 (a) When applying for a transporting organization license,
2 the applicant shall electronically submit the following in such
3 form as the Department of Agriculture may direct:

4 (1) the nonrefundable application fee of \$5,000 or,
5 after January 1, 2021, another amount as set by rule by the
6 Department of Agriculture, to be deposited into the
7 Cannabis Regulation Fund;

8 (2) the legal name of the transporting organization;

9 (3) the proposed physical address of the transporting
10 organization, if one is proposed;

11 (4) the name, address, social security number, and date
12 of birth of each principal officer and board member of the
13 transporting organization; each principal officer and
14 board member shall be at least 21 years of age;

15 (5) the details of any administrative or judicial
16 proceeding in which any of the principal officers or board
17 members of the transporting organization (i) pled guilty,
18 were convicted, fined, or had a registration or license
19 suspended or revoked, or (ii) managed or served on the
20 board of a business or non-profit organization that pled
21 guilty, was convicted, fined, or had a registration or
22 license suspended or revoked;

23 (6) proposed operating bylaws that include procedures
24 for the oversight of the transporting organization,
25 including the development and implementation of an
26 accurate recordkeeping plan, staffing plan, and security

1 plan approved by the Department of State Police that are in
2 accordance with the rules issued by the Department of
3 Agriculture under this Act; a physical inventory shall be
4 performed of all cannabis on a weekly basis by the
5 transporting organization;

6 (7) verification from the Department of State Police
7 that all background checks of the prospective principal
8 officers, board members, and agents of the transporting
9 organization have been conducted;

10 (8) a copy of the current local zoning ordinance or
11 permit and verification that the proposed transporting
12 organization is in compliance with the local zoning rules
13 and distance limitations established by the local
14 jurisdiction, if the transporting organization has a
15 business address;

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

21 (10) whether an applicant can demonstrate experience
22 in or business practices that promote economic empowerment
23 in Disproportionately Impacted Areas;

24 (11) the number and type of equipment the transporting
25 organization will use to transport cannabis and
26 cannabis-infused products;

1 (12) loading, transporting, and unloading plans;

2 (13) a description of the applicant's experience in the
3 distribution or security business;

4 (14) the identity of every person having a financial or
5 voting interest of 5% or more in the transporting
6 organization with respect to which the license is sought,
7 whether a trust, corporation, partnership, limited
8 liability company, or sole proprietorship, including the
9 name and address of each person; and

10 (15) any other information required by rule.

11 (b) Applicants must submit all required information,
12 including the information required in Section 40-35 to the
13 Department. Failure by an applicant to submit all required
14 information may result in the application being disqualified.

15 (c) If the Department receives an application with missing
16 information, the Department of Agriculture may issue a
17 deficiency notice to the applicant. The applicant shall have 10
18 calendar days from the date of the deficiency notice to
19 resubmit the incomplete information. Applications that are
20 still incomplete after this opportunity to cure will not be
21 scored and will be disqualified.

22 Section 40-15. Issuing licenses.

23 (a) The Department of Agriculture shall by rule develop a
24 system to score transporter applications to administratively
25 rank applications based on the clarity, organization, and

1 quality of the applicant's responses to required information.
2 Applicants shall be awarded points based on the following
3 categories:

4 (1) Suitability of employee training plan;

5 (2) Security and recordkeeping plan;

6 (3) Business plan;

7 (4) The applicant's status as a Social Equity
8 Applicant, which shall constitute no less than 20% of total
9 available points;

10 (5) Labor and employment practices, which shall
11 constitute no less than 2% of total available points;

12 (6) Environmental plan that demonstrates an
13 environmental plan of action to minimize the carbon
14 footprint, environmental impact, and resource needs for
15 the transporter, which may include, without limitation,
16 recycling cannabis product packaging;

17 (7) the applicant is 51% or more owned and controlled
18 by an individual or individuals who have been an Illinois
19 resident for the past 5 years as proved by tax records;

20 (8) The applicant is 51% or more controlled and owned
21 by an individual or individuals who meet the qualifications
22 of a veteran as defined by Section 45-57 of the Illinois
23 Procurement Code;

24 (9) a diversity plan that includes a narrative of not
25 more than 2,500 words that establishes a goal of diversity
26 in ownership, management, employment, and contracting to

1 ensure that diverse participants and groups are afforded
2 equality of opportunity; and

3 (10) Any other criteria the Department of Agriculture
4 may set by rule for points.

5 (b) The Department may also award up to 2 bonus points for
6 the applicant's plan to engage with the community. The
7 applicant may demonstrate a desire to engage with its community
8 by participating in one or more of, but not limited to, the
9 following actions: (i) establishment of an incubator program
10 designed to increase participation in the cannabis industry by
11 persons who would qualify as Social Equity Applicants; (ii)
12 providing financial assistance to substance abuse treatment
13 centers; (iii) educating children and teens about the potential
14 harms of cannabis use; or (iv) other measures demonstrating a
15 commitment to the applicant's community. Bonus points will only
16 be awarded if the Department receives applications that receive
17 an equal score for a particular region.

18 (c) Applicants for transportation organization licenses
19 that score at least 85% of available points according to the
20 system developed by rule and meet all other requirements for a
21 transporter license shall be issued a license by the Department
22 of Agriculture within 60 days of receiving the application.
23 Applicants that were registered as medical cannabis
24 cultivation centers prior to January 1, 2020 and who meet all
25 other requirements for a transporter license shall be issued a
26 license by the Department of Agriculture within 60 days of

1 receiving the application.

2 (d) Should the applicant be awarded a transportation
3 organization license, the information and plans that an
4 applicant provided in its application, including any plans
5 submitted for the acquiring of bonus points, shall be a
6 mandatory condition of the permit. Any variation from or
7 failure to perform such plans may result in discipline,
8 including the revocation or nonrenewal of a license.

9 (e) Should the applicant be awarded a transporting
10 organization license, the applicant shall pay a prorated fee of
11 \$10,000 prior to receiving the license, to be deposited into
12 the Cannabis Regulation Fund. The Department of Agriculture may
13 by rule adjust the fee in this Section after January 1, 2021.

14 Section 40-20. Denial of application. An application for a
15 transportation organization license shall be denied if any of
16 the following conditions are met:

17 (1) the applicant failed to submit the materials
18 required by this Article;

19 (2) the applicant would not be in compliance with local
20 zoning rules or permit requirements;

21 (3) one or more of the prospective principal officers
22 or board members causes a violation of Section 40-25;

23 (4) one or more of the principal officers or board
24 members is under 21 years of age;

25 (5) the person has submitted an application for a

1 license under this Act that contains false information; or
2 (6) the licensee, principal officer, board member, or
3 person having a financial or voting interest of 5% or
4 greater in the licensee is delinquent in filing any
5 required tax returns or paying any amounts owed to the
6 State of Illinois.

7 Section 40-25. Transporting organization requirements;
8 prohibitions.

9 (a) The operating documents of a transporting organization
10 shall include procedures for the oversight of the transporter,
11 an inventory monitoring system including a physical inventory
12 recorded weekly, accurate recordkeeping, and a staffing plan.

13 (b) A transporting organization may not transport cannabis
14 or cannabis-infused products to any person other than a
15 cultivation center, a craft grower, an infuser organization, a
16 dispensing organization, a testing facility, or as otherwise
17 authorized by rule.

18 (c) All cannabis transported by a transporting
19 organization must be entered into a data collection system and
20 placed into a cannabis container for transport.

21 (d) Transporters are subject to random inspections by the
22 Department of Agriculture, the Department of Public Health, and
23 the Department of State Police.

24 (e) A transporting organization agent shall notify local
25 law enforcement, the Department of State Police, and the

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

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

6 (g) No person or individual who is not a transporting
7 organization agent shall be in a vehicle while transporting
8 cannabis goods.

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

11 (i) It is unlawful for any person to offer or deliver
12 money, or anything else of value, directly or indirectly, to
13 any of the following persons to obtain preferential placement
14 within the dispensing organization, including, without
15 limitation, on shelves and in display cases where purchasers
16 can view products, or on the dispensing organization's website:

17 (1) a person having a transporting organization
18 license, or any officer, associate, member,
19 representative, or agent of the licensee;

20 (2) a person having an Early Applicant Adult Use
21 Dispensing Organization License, an Adult Use Dispensing
22 Organization License, or a medical cannabis dispensing
23 organization license issued under the Compassionate Use of
24 Medical Cannabis Pilot Program Act;

25 (3) a person connected with or in any way representing,
26 or a member of the family of, a person holding an Early

1 Applicant Adult Use Dispensing Organization License, an
2 Adult Use Dispensing Organization License, or a medical
3 cannabis dispensing organization license issued under the
4 Compassionate Use of Medical Cannabis Pilot Program Act; or

5 (4) a stockholder, officer, manager, agent, or
6 representative of a corporation engaged in the retail sale
7 of cannabis, an Early Applicant Adult Use Dispensing
8 Organization License, an Adult Use Dispensing Organization
9 License, or a medical cannabis dispensing organization
10 license issued under the Compassionate Use of Medical
11 Cannabis Pilot Program Act.

12 (j) A transportation organization agent must keep his or
13 her identification card visible at all times when on the
14 property of a cannabis business establishment and during the
15 transportation of cannabis when acting under his or her duties
16 as a transportation organization agent. During these times, the
17 transporter organization agent must also provide the
18 identification card upon request of any law enforcement officer
19 engaged in his or her official duties.

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

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

25 (m) A vehicle transporting cannabis must not bear any
26 markings to indicate the vehicle contains cannabis or bear the

1 name or logo of the cannabis business establishment.

2 (n) Cannabis must be transported in an enclosed, locked
3 storage compartment that is secured or affixed to the vehicle.

4 (o) The Department of Agriculture may, by rule, impose any
5 other requirements or prohibitions on the transportation of
6 cannabis.

7 Section 40-30. Transporting agent identification card.

8 (a) The Department of Agriculture shall:

9 (1) establish by rule the information required in an
10 initial application or renewal application for an agent
11 identification card submitted under this Act and the
12 nonrefundable fee to accompany the initial application or
13 renewal application;

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

20 (3) issue an agent identification card to a qualifying
21 agent within 15 business days of approving the initial
22 application or renewal application;

23 (4) enter the license number of the transporting
24 organization where the agent works; and

25 (5) allow for an electronic initial application and

1 renewal application process, and provide a confirmation by
2 electronic or other methods that an application has been
3 submitted. The Department of Agriculture may by rule
4 require prospective agents to file their applications by
5 electronic means and provide notices to the agents by
6 electronic means.

7 (b) An agent must keep his or her identification card
8 visible at all times when on the property of a cannabis
9 business establishment, including the cannabis business
10 establishment for which he or she is an agent.

11 (c) The agent identification cards shall contain the
12 following:

13 (1) the name of the cardholder;

14 (2) the date of issuance and expiration date of the
15 identification card;

16 (3) a random 10-digit alphanumeric identification
17 number containing at least 4 numbers and at least 4 letters
18 that is unique to the holder;

19 (4) a photograph of the cardholder; and

20 (5) the legal name of the transporter organization
21 employing the agent.

22 (d) An agent identification card shall be immediately
23 returned to the transporter organization of the agent upon
24 termination of his or her employment.

25 (e) Any agent identification card lost by a transporting
26 agent shall be reported to the Department of State Police and

1 the Department of Agriculture immediately upon discovery of the
2 loss.

3 (f) An application for an agent identification card shall
4 be denied if the applicant is delinquent in filing any required
5 tax returns or paying any amounts owed to the State of
6 Illinois.

7 Section 40-35. Transporting organization background
8 checks.

9 (a) Through the Department of State Police, the Department
10 of Agriculture shall conduct a background check of the
11 prospective principal officers, board members, and agents of a
12 transporter applying for a license or identification card under
13 this Act. The Department of State Police shall charge a fee set
14 by rule for conducting the criminal history record check, which
15 shall be deposited into the State Police Services Fund and
16 shall not exceed the actual cost of the record check. In order
17 to carry out this provision, each transporter organization's
18 prospective principal officer, board member, or agent shall
19 submit a full set of fingerprints to the Department of State
20 Police for the purpose of obtaining a State and federal
21 criminal records check. These fingerprints shall be checked
22 against the fingerprint records now and hereafter, to the
23 extent allowed by law, filed in the Department of State Police
24 and Federal Bureau of Investigation criminal history records
25 databases. The Department of State Police shall furnish,

1 following positive identification, all conviction information
2 to the Department of Agriculture.

3 (b) When applying for the initial license or identification
4 card, the background checks for all prospective principal
5 officers, board members, and agents shall be completed before
6 submitting the application to the Department of Agriculture.

7 Section 40-40. Renewal of transporting organization
8 licenses and agent identification cards.

9 (a) Licenses and identification cards issued under this Act
10 shall be renewed annually. A transporting organization shall
11 receive written or electronic notice 90 days before the
12 expiration of its current license that the license will expire.
13 The Department of Agriculture shall grant a renewal within 45
14 days of submission of a renewal application if:

15 (1) the transporting organization submits a renewal
16 application and the required nonrefundable renewal fee of
17 \$10,000, or after January 1, 2021, another amount set by
18 rule by the Department of Agriculture, to be deposited into
19 the Cannabis Regulation Fund;

20 (2) the Department of Agriculture has not suspended or
21 revoked the license of the transporting organization for
22 violating this Act or rules adopted under this Act;

23 (3) the transporting organization has continued to
24 operate in accordance with all plans submitted as part of
25 its application and approved by the Department of

1 Agriculture or any amendments thereto that have been
2 approved by the Department of Agriculture; and

3 (4) the transporter has submitted an agent, employee,
4 contracting, and subcontracting diversity report as
5 required by the Department.

6 (b) If a transporting organization fails to renew its
7 license before expiration, it shall cease operations until its
8 license is renewed.

9 (c) If a transporting organization agent fails to renew his
10 or her identification card before its expiration, he or she
11 shall cease to work as an agent of the transporter organization
12 until his or her identification card is renewed.

13 (d) Any transporting organization that continues to
14 operate, or any transporting organization agent who continues
15 to work as an agent, after the applicable license or
16 identification card has expired without renewal is subject to
17 the penalties provided under Section 45-5.

18 (e) The Department shall not renew a license or an agent
19 identification card if the applicant is delinquent in filing
20 any required tax returns or paying any amounts owed to the
21 State of Illinois.

22 ARTICLE 45.

23 ENFORCEMENT AND IMMUNITIES

24 Section 45-5. License suspension; revocation; other

1 penalties.

2 (a) Notwithstanding any other criminal penalties related
3 to the unlawful possession of cannabis, the Department of
4 Financial and Professional Regulation and the Department of
5 Agriculture may revoke, suspend, place on probation,
6 reprimand, issue cease and desist orders, refuse to issue or
7 renew a license, or take any other disciplinary or
8 nondisciplinary action as each department may deem proper with
9 regard to a cannabis business establishment or cannabis
10 business establishment agent, including fines not to exceed:

11 (1) \$50,000 for each violation of this Act or rules
12 adopted under this Act by a cultivation center or
13 cultivation center agent;

14 (2) \$10,000 for each violation of this Act or rules
15 adopted under this Act by a dispensing organization or
16 dispensing organization agent;

17 (3) \$15,000 for each violation of this Act or rules
18 adopted under this Act by a craft grower or craft grower
19 agent;

20 (4) \$10,000 for each violation of this Act or rules
21 adopted under this Act by an infuser organization or
22 infuser organization agent; and

23 (5) \$10,000 for each violation of this Act or rules
24 adopted under this Act by a transporting organization or
25 transporting organization agent.

26 (b) The Department of Financial and Professional

1 Regulation and the Department of Agriculture, as the case may
2 be, shall consider licensee cooperation in any agency or other
3 investigation in its determination of penalties imposed under
4 this Section.

5 (c) The procedures for disciplining a cannabis business
6 establishment or cannabis business establishment agent and for
7 administrative hearings shall be determined by rule, and shall
8 provide for the review of final decisions under the
9 Administrative Review Law.

10 (d) The Attorney General may also enforce a violation of
11 Section 55-20, Section 55-21, and Section 15-155 as an unlawful
12 practice under the Consumer Fraud and Deceptive Business
13 Practices Act.

14 Section 45-10. Immunities and presumptions related to the
15 handling of cannabis by cannabis business establishments and
16 their agents.

17 (a) A cultivation center, craft grower, infuser
18 organization, or transporting organization is not subject to:
19 (i) prosecution; (ii) search or inspection, except by the
20 Department of Agriculture, the Department of Public Health, or
21 State or local law enforcement under this Act; (iii) seizure;
22 (iv) penalty in any manner, including, but not limited to,
23 civil penalty; (v) denial of any right or privilege; or (vi)
24 disciplinary action by a business licensing board or entity for
25 acting under this Act and rules adopted under this Act to

1 acquire, possess, cultivate, manufacture, process, deliver,
2 transfer, transport, supply, or sell cannabis or cannabis
3 paraphernalia under this Act.

4 (b) A licensed cultivation center agent, licensed craft
5 grower agent, licensed infuser organization agent, or licensed
6 transporting organization agent is not subject to: (i)
7 prosecution; (ii) search; (iii) penalty in any manner,
8 including, but not limited to, civil penalty; (iv) denial of
9 any right or privilege; or (v) disciplinary action by a
10 business licensing board or entity, for engaging in
11 cannabis-related activities authorized under this Act and
12 rules adopted under this Act.

13 (c) A dispensing organization is not subject to: (i)
14 prosecution; (ii) search or inspection, except by the
15 Department of Financial and Professional Regulation, or State
16 or local law enforcement under this Act; (iii) seizure; (iv)
17 penalty in any manner, including, but not limited to, civil
18 penalty; (v) denial of any right or privilege; or (vi)
19 disciplinary action by a business licensing board or entity,
20 for acting under this Act and rules adopted under this Act to
21 acquire, possess, or dispense cannabis, cannabis-infused
22 products, cannabis paraphernalia, or related supplies, and
23 educational materials under this Act.

24 (d) A licensed dispensing organization agent is not subject
25 to: (i) prosecution; (ii) search; or (iii) penalty in any
26 manner, or denial of any right or privilege, including, but not

1 limited to, civil penalty or disciplinary action by a business
2 licensing board or entity, for working for a dispensing
3 organization under this Act and rules adopted under this Act.

4 (e) Any cannabis, cannabis-infused product, cannabis
5 paraphernalia, legal property, or interest in legal property
6 that is possessed, owned, or used in connection with the use of
7 cannabis as allowed under this Act, or acts incidental to that
8 use, may not be seized or forfeited. This Act does not prevent
9 the seizure or forfeiture of cannabis exceeding the amounts
10 allowed under this Act, nor does it prevent seizure or
11 forfeiture if the basis for the action is unrelated to the
12 cannabis that is possessed, manufactured, transferred, or used
13 under this Act.

14 (f) Nothing in this Act shall preclude local or State law
15 enforcement agencies from searching a cultivation center,
16 craft grower, infuser organization, transporting organization,
17 or dispensing organization if there is probable cause to
18 believe that the criminal laws of this State have been violated
19 and the search is conducted in conformity with the Illinois
20 Constitution, the Constitution of the United States, and
21 applicable law.

22 (g) Nothing in this Act shall preclude the Attorney General
23 or other authorized government agency from investigating or
24 bringing a civil action against a cannabis business
25 establishment, or an agent thereof, for a violation of State
26 law, including, but not limited to, civil rights violations and

1 violations of the Consumer Fraud and Deceptive Business
2 Practices Act.

3 Section 45-15. State standards and requirements. Any
4 standards, requirements, and rules regarding the health and
5 safety, environmental protection, testing, security, food
6 safety, and worker protections established by the State shall
7 be the minimum standards for all licensees under this Act
8 statewide, where applicable. Knowing violations of any State or
9 local law, ordinance, or rule conferring worker protections or
10 legal rights on the employees of a licensee may be grounds for
11 disciplinary action under this Act, in addition to penalties
12 established elsewhere.

13 Section 45-20. Violation of tax Acts; refusal, revocation,
14 or suspension of license or agent identification card.

15 (a) In addition to other grounds specified in this Act, the
16 Department of Agriculture and Department of Financial and
17 Professional Regulation, upon notification by the Department
18 of Revenue, shall refuse the issuance or renewal of a license
19 or agent identification card, or suspend or revoke the license
20 or agent identification card, of any person, for any of the
21 following violations of any tax Act administered by the
22 Department of Revenue:

23 (1) Failure to file a tax return.

24 (2) The filing of a fraudulent return.

1 following acts, when performed by a cannabis testing facility
2 with a current, valid registration, or a person 21 years of age
3 or older who is acting in his or her capacity as an owner,
4 employee, or agent of a cannabis testing facility, are not
5 unlawful and shall not be an offense under Illinois law or be a
6 basis for seizure or forfeiture of assets under Illinois law:

7 (1) possessing, repackaging, transporting, storing, or
8 displaying cannabis or cannabis-infused products;

9 (2) receiving or transporting cannabis or
10 cannabis-infused products from a cannabis business
11 establishment, a community college licensed under the
12 Community College Cannabis Vocational Training Pilot
13 Program, or a person 21 years of age or older; and

14 (3) returning or transporting cannabis or
15 cannabis-infused products to a cannabis business
16 establishment, a community college licensed under the
17 Community College Cannabis Vocational Training Pilot
18 Program, or a person 21 years of age or older.

19 (b)(1) No laboratory shall handle, test, or analyze
20 cannabis unless approved by the Department of Agriculture in
21 accordance with this Section.

22 (2) No laboratory shall be approved to handle, test, or
23 analyze cannabis unless the laboratory:

24 (A) is accredited by a private laboratory accrediting
25 organization;

26 (B) is independent from all other persons involved in

1 the cannabis industry in Illinois and no person with a
2 direct or indirect interest in the laboratory has a direct
3 or indirect financial, management, or other interest in an
4 Illinois cultivation center, craft grower, dispensary,
5 infuser, transporter, certifying physician, or any other
6 entity in the State that may benefit from the production,
7 manufacture, dispensing, sale, purchase, or use of
8 cannabis; and

9 (C) has employed at least one person to oversee and be
10 responsible for the laboratory testing who has earned, from
11 a college or university accredited by a national or
12 regional certifying authority, at least:

13 (i) a master's level degree in chemical or
14 biological sciences and a minimum of 2 years'
15 post-degree laboratory experience; or

16 (ii) a bachelor's degree in chemical or biological
17 sciences and a minimum of 4 years' post-degree
18 laboratory experience.

19 (3) Each independent testing laboratory that claims to be
20 accredited must provide the Department of Agriculture with a
21 copy of the most recent annual inspection report granting
22 accreditation and every annual report thereafter.

23 (c) Immediately before manufacturing or natural processing
24 of any cannabis or cannabis-infused product or packaging
25 cannabis for sale to a dispensary, each batch shall be made
26 available by the cultivation center, craft grower, or infuser

1 for an employee of an approved laboratory to select a random
2 sample, which shall be tested by the approved laboratory for:

- 3 (1) microbiological contaminants;
- 4 (2) mycotoxins;
- 5 (3) pesticide active ingredients;
- 6 (4) residual solvent; and
- 7 (5) an active ingredient analysis.

8 (d) The Department of Agriculture may select a random
9 sample that shall, for the purposes of conducting an active
10 ingredient analysis, be tested by the Department of Agriculture
11 for verification of label information.

12 (e) A laboratory shall immediately return or dispose of any
13 cannabis upon the completion of any testing, use, or research.
14 If cannabis is disposed of, it shall be done in compliance with
15 Department of Agriculture rule.

16 (f) If a sample of cannabis does not pass the
17 microbiological, mycotoxin, pesticide chemical residue, or
18 solvent residue test, based on the standards established by the
19 Department of Agriculture, the following shall apply:

20 (1) If the sample failed the pesticide chemical residue
21 test, the entire batch from which the sample was taken
22 shall, if applicable, be recalled as provided by rule.

23 (2) If the sample failed any other test, the batch may
24 be used to make a CO₂-based or solvent based extract. After
25 processing, the CO₂-based or solvent based extract must
26 still pass all required tests.

1 (g) The Department of Agriculture shall establish
2 standards for microbial, mycotoxin, pesticide residue, solvent
3 residue, or other standards for the presence of possible
4 contaminants, in addition to labeling requirements for
5 contents and potency.

6 (h) The laboratory shall file with the Department of
7 Agriculture an electronic copy of each laboratory test result
8 for any batch that does not pass the microbiological,
9 mycotoxin, or pesticide chemical residue test, at the same time
10 that it transmits those results to the cultivation center. In
11 addition, the laboratory shall maintain the laboratory test
12 results for at least 5 years and make them available at the
13 Department of Agriculture's request.

14 (i) A cultivation center, craft grower, and infuser shall
15 provide to a dispensing organization the laboratory test
16 results for each batch of cannabis product purchased by the
17 dispensing organization, if sampled. Each dispensary
18 organization must have those laboratory results available upon
19 request to purchasers.

20 (j) The Department of Agriculture may adopt rules related
21 to testing in furtherance of this Act.

22 ARTICLE 55.

23 GENERAL PROVISIONS

24 Section 55-5. Preparation of cannabis-infused products.

1 (a) The Department of Agriculture may regulate the
2 production of cannabis-infused products by a cultivation
3 center, a craft grower, an infuser organization, or a
4 dispensing organization and establish rules related to
5 refrigeration, hot-holding, and handling of cannabis-infused
6 products. All cannabis-infused products shall meet the
7 packaging and labeling requirements contained in Section
8 55-21.

9 (b) Cannabis-infused products for sale or distribution at a
10 dispensing organization must be prepared by an approved agent
11 of a cultivation center or infuser organization.

12 (c) A cultivation center or infuser organization that
13 prepares cannabis-infused products for sale or distribution by
14 a dispensing organization shall be under the operational
15 supervision of a Department of Public Health certified food
16 service sanitation manager.

17 (d) Dispensing organizations may not manufacture, process,
18 or produce cannabis-infused products.

19 (e) The Department of Public Health shall adopt and enforce
20 rules for the manufacture and processing of cannabis-infused
21 products, and for that purpose it may at all times enter every
22 building, room, basement, enclosure, or premises occupied or
23 used, or suspected of being occupied or used, for the
24 production, preparation, manufacture for sale, storage, sale,
25 processing, distribution, or transportation of
26 cannabis-infused products, and to inspect the premises

1 together with all utensils, fixtures, furniture, and machinery
2 used for the preparation of these products.

3 (f) The Department of Agriculture shall by rule establish a
4 maximum level of THC that may be contained in each serving of
5 cannabis-infused product, and within the product package.

6 (g) If a local public health agency has a reasonable belief
7 that a cannabis-infused product poses a public health hazard,
8 it may refer the cultivation center, craft grower, or infuser
9 that manufactured or processed the cannabis-infused product to
10 the Department of Public Health. If the Department of Public
11 Health finds that a cannabis-infused product poses a health
12 hazard, it may bring an action for immediate injunctive relief
13 to require that action be taken as the court may deem necessary
14 to meet the hazard of the cultivation facility or seek other
15 relief as provided by rule.

16 Section 55-10. Maintenance of inventory. All dispensing
17 organizations authorized to serve both registered qualifying
18 patients and caregivers and purchasers are required to report
19 which cannabis and cannabis-infused products are purchased for
20 sale under the Compassionate Use of Medical Cannabis Pilot
21 Program Act, and which cannabis and cannabis-infused products
22 are purchased under this Act. Nothing in this Section prohibits
23 a registered qualifying patient under the Compassionate Use of
24 Medical Cannabis Pilot Program Act from purchasing cannabis as
25 a purchaser under this Act.

1 Section 55-15. Destruction of cannabis.

2 (a) All cannabis byproduct, scrap, and harvested cannabis
3 not intended for distribution to a dispensing organization must
4 be destroyed and disposed of under rules adopted by the
5 Department of Agriculture under this Act. Documentation of
6 destruction and disposal shall be retained at the cultivation
7 center, craft grower, infuser organization, transporter, or
8 testing facility as applicable for a period of not less than 5
9 years.

10 (b) A cultivation center, craft grower, or infuser
11 organization shall, before destruction, notify the Department
12 of Agriculture and the Department of State Police. A dispensing
13 organization shall, before destruction, notify the Department
14 of Financial and Professional Regulation and the Department of
15 State Police. The Department of Agriculture may by rule require
16 that an employee of the Department of Agriculture or the
17 Department of Financial and Professional Regulation be present
18 during the destruction of any cannabis byproduct, scrap, and
19 harvested cannabis, as applicable.

20 (c) The cultivation center, craft grower, infuser
21 organization, or dispensing organization shall keep a record of
22 the date of destruction and how much was destroyed.

23 (d) A dispensing organization shall destroy all cannabis,
24 including cannabis-infused products, not sold to purchasers.
25 Documentation of destruction and disposal shall be retained at

1 the dispensing organization for a period of not less than 5
2 years.

3 Section 55-20. Advertising and promotions.

4 (a) No cannabis business establishment nor any other person
5 or entity shall engage in advertising that contains any
6 statement or illustration that:

7 (1) is false or misleading;

8 (2) promotes overconsumption of cannabis or cannabis
9 products;

10 (3) depicts the actual consumption of cannabis or
11 cannabis products;

12 (4) depicts a person under 21 years of age consuming
13 cannabis;

14 (5) makes any health, medicinal, or therapeutic claims
15 about cannabis or cannabis-infused products;

16 (6) includes the image of a cannabis leaf or bud; or

17 (7) includes any image designed or likely to appeal to
18 minors, including cartoons, toys, animals, or children, or
19 any other likeness to images, characters, or phrases that
20 is designed in any manner to be appealing to or encourage
21 consumption of persons under 21 years of age.

22 (b) No cannabis business establishment nor any other person
23 or entity shall place or maintain, or cause to be placed or
24 maintained, an advertisement of cannabis or a cannabis-infused
25 product in any form or through any medium:

1 (1) within 1,000 feet of the perimeter of school
2 grounds, a playground, a recreation center or facility, a
3 child care center, a public park or public library, or a
4 game arcade to which admission is not restricted to persons
5 21 years of age or older;

6 (2) on or in a public transit vehicle or public transit
7 shelter;

8 (3) on or in publicly owned or publicly operated
9 property; or

10 (4) that contains information that:

11 (A) is false or misleading;

12 (B) promotes excessive consumption;

13 (C) depicts a person under 21 years of age
14 consuming cannabis;

15 (D) includes the image of a cannabis leaf; or

16 (E) includes any image designed or likely to appeal
17 to minors, including cartoons, toys, animals, or
18 children, or any other likeness to images, characters,
19 or phrases that are popularly used to advertise to
20 children, or any imitation of candy packaging or
21 labeling, or that promotes consumption of cannabis.

22 (c) Subsections (a) and (b) do not apply to an educational
23 message.

24 (d) Sales promotions. No cannabis business establishment
25 nor any other person or entity may encourage the sale of
26 cannabis or cannabis products by giving away cannabis or

1 cannabis products, by conducting games or competitions related
2 to the consumption of cannabis or cannabis products, or by
3 providing promotional materials or activities of a manner or
4 type that would be appealing to children.

5 Section 55-21. Cannabis product packaging and labeling.

6 (a) Each cannabis product produced for sale shall be
7 registered with the Department of Agriculture on forms provided
8 by the Department of Agriculture. Each product registration
9 shall include a label and the required registration fee at the
10 rate established by the Department of Agriculture for a
11 comparable medical cannabis product, or as established by rule.
12 The registration fee is for the name of the product offered for
13 sale and one fee shall be sufficient for all package sizes.

14 (b) All harvested cannabis intended for distribution to a
15 cannabis enterprise must be packaged in a sealed, labeled
16 container.

17 (c) Any product containing cannabis shall be packaged in a
18 sealed, odor-proof, and child-resistant cannabis container
19 consistent with current standards, including the Consumer
20 Product Safety Commission standards referenced by the Poison
21 Prevention Act.

22 (d) All cannabis-infused products shall be individually
23 wrapped or packaged at the original point of preparation. The
24 packaging of the cannabis-infused product shall conform to the
25 labeling requirements of the Illinois Food, Drug and Cosmetic

1 Act, in addition to the other requirements set forth in this
2 Section.

3 (e) Each cannabis product shall be labeled before sale and
4 each label shall be securely affixed to the package and shall
5 state in legible English and any languages required by the
6 Department of Agriculture:

7 (1) The name and post office box of the registered
8 cultivation center or craft grower where the item was
9 manufactured;

10 (2) The common or usual name of the item and the
11 registered name of the cannabis product that was registered
12 with the Department of Agriculture under subsection (a);

13 (3) A unique serial number that will match the product
14 with a cultivation center or craft grower batch and lot
15 number to facilitate any warnings or recalls the Department
16 of Agriculture, cultivation center, or craft grower deems
17 appropriate;

18 (4) The date of final testing and packaging, if
19 sampled, and the identification of the independent testing
20 laboratory;

21 (5) The date of harvest and "use by" date;

22 (6) The quantity (in ounces or grams) of cannabis
23 contained in the product;

24 (7) A pass/fail rating based on the laboratory's
25 microbiological, mycotoxins, and pesticide and solvent
26 residue analyses, if sampled.

1 (8) Content list.

2 (A) A list of the following, including the minimum
3 and maximum percentage content by weight for
4 subdivisions (d) (8) (A) (i) through (iv):

5 (i) delta-9-tetrahydrocannabinol (THC);

6 (ii) tetrahydrocannabinolic acid (THCA);

7 (iii) cannabidiol (CBD);

8 (iv) cannabidiolic acid (CBDA); and

9 (v) all other ingredients of the item,
10 including any colors, artificial flavors, and
11 preservatives, listed in descending order by
12 predominance of weight shown with common or usual
13 names.

14 (B) The acceptable tolerances for the minimum
15 percentage printed on the label for any of subdivisions
16 (d) (8) (A) (i) through (iv) shall not be below 85% or
17 above 115% of the labeled amount;

18 (f) Packaging must not contain information that:

19 (1) is false or misleading;

20 (2) promotes excessive consumption;

21 (3) depicts a person under 21 years of age consuming
22 cannabis;

23 (4) includes the image of a cannabis leaf;

24 (5) includes any image designed or likely to appeal to
25 minors, including cartoons, toys, animals, or children, or
26 any other likeness to images, characters, or phrases that

1 are popularly used to advertise to children, or any
2 packaging or labeling that bears reasonable resemblance to
3 any product available for consumption as a commercially
4 available candy, or that promotes consumption of cannabis;

5 (6) contains any seal, flag, crest, coat of arms, or
6 other insignia likely to mislead the purchaser to believe
7 that the product has been endorsed, made, or used by the
8 State of Illinois or any of its representatives except
9 where authorized by this Act.

10 (g) Cannabis products produced by concentrating or
11 extracting ingredients from the cannabis plant shall contain
12 the following information, where applicable:

13 (1) If solvents were used to create the concentrate or
14 extract, a statement that discloses the type of extraction
15 method, including any solvents or gases used to create the
16 concentrate or extract; and

17 (2) Any other chemicals or compounds used to produce or
18 were added to the concentrate or extract.

19 (h) All cannabis products must contain warning statements
20 established for purchasers, of a size that is legible and
21 readily visible to a consumer inspecting a package, which may
22 not be covered or obscured in any way. The Department of Public
23 Health shall define and update appropriate health warnings for
24 packages including specific labeling or warning requirements
25 for specific cannabis products.

26 (i) Unless modified by rule to strengthen or respond to new

1 evidence and science, the following warnings shall apply to all
2 cannabis products unless modified by rule: "This product
3 contains cannabis and is intended for use by adults 21 and
4 over. Its use can impair cognition and may be habit forming.
5 This product should not be used by pregnant or breastfeeding
6 women. It is unlawful to sell or provide this item to any
7 individual, and it may not be transported outside the State of
8 Illinois. It is illegal to operate a motor vehicle while under
9 the influence of cannabis. Possession or use of this product
10 may carry significant legal penalties in some jurisdictions and
11 under federal law."

12 (j) Warnings for each of the following product types must
13 be present on labels when offered for sale to a purchaser:

14 (1) Cannabis that may be smoked must contain a
15 statement that "Smoking is hazardous to your health."

16 (2) Cannabis-infused products (other than those
17 intended for topical application) must contain a statement
18 "CAUTION: This product contains cannabis, and intoxication
19 following use may be delayed 2 or more hours. This product
20 was produced in a facility that cultivates cannabis, and
21 that may also process common food allergens."

22 (3) Cannabis-infused products intended for topical
23 application must contain a statement "DO NOT EAT" in bold,
24 capital letters.

25 (k) Each cannabis-infused product intended for consumption
26 must be individually packaged, must include the total milligram

1 content of THC and CBD, and may not include more than a total
2 of 100 milligrams of THC per package. A package may contain
3 multiple servings of 10 milligrams of THC, and indicated by
4 scoring, wrapping, or by other indicators designating
5 individual serving sizes. The Department of Agriculture may
6 change the total amount of THC allowed for each package, or the
7 total amount of THC allowed for each serving size, by rule.

8 (l) No individual other than the purchaser may alter or
9 destroy any labeling affixed to the primary packaging of
10 cannabis or cannabis-infused products.

11 (m) For each commercial weighing and measuring device used
12 at a facility, the cultivation center or craft grower must:

13 (1) Ensure that the commercial device is licensed under
14 the Weights and Measures Act and the associated
15 administrative rules (8 Ill. Adm. Code 600);

16 (2) Maintain documentation of the licensure of the
17 commercial device; and

18 (3) Provide a copy of the license of the commercial
19 device to the Department of Agriculture for review upon
20 request.

21 (n) It is the responsibility of the Department to ensure
22 that packaging and labeling requirements, including product
23 warnings, are enforced at all times for products provided to
24 purchasers. Product registration requirements and container
25 requirements may be modified by rule by the Department of
26 Agriculture.

1 (o) Labeling, including warning labels, may be modified by
2 rule by the Department of Agriculture.

3 Section 55-25. Local ordinances. Unless otherwise provided
4 under this Act or otherwise in accordance with State law:

5 (1) A unit of local government, including a home rule
6 unit or any non-home rule county within the unincorporated
7 territory of the county, may enact reasonable zoning
8 ordinances or resolutions, not in conflict with this Act or
9 rules adopted pursuant to this Act, regulating cannabis
10 business establishments. No unit of local government,
11 including a home rule unit or any non-home rule county
12 within the unincorporated territory of the county, may
13 prohibit home cultivation or unreasonably prohibit use of
14 cannabis authorized by this Act.

15 (2) A unit of local government, including a home rule
16 unit or any non-home rule county within the unincorporated
17 territory of the county, may enact ordinances or rules not
18 in conflict with this Act or with rules adopted pursuant to
19 this Act governing the time, place, manner, and number of
20 cannabis business establishment operations, including
21 minimum distance limitations between cannabis business
22 establishments and locations it deems sensitive, including
23 colleges and universities, through the use of conditional
24 use permits. A unit of local government, including a home
25 rule unit, may establish civil penalties for violation of

1 an ordinance or rules governing the time, place, and manner
2 of operation of a cannabis business establishment or a
3 conditional use permit in the jurisdiction of the unit of
4 local government. No unit of local government, including a
5 home rule unit or non-home rule county within an
6 unincorporated territory of the county, may unreasonably
7 restrict the time, place, manner, and number of cannabis
8 business establishment operations authorized by this Act.

9 (3) A unit of local government, including a home rule
10 unit, or any non-home rule county within the unincorporated
11 territory of the county may regulate the on-premises
12 consumption of cannabis at or in a cannabis business
13 establishment within its jurisdiction in a manner
14 consistent with this Act. A cannabis business
15 establishment or other entity authorized or permitted by a
16 unit of local government to allow on-site consumption shall
17 not be deemed a public place within the meaning of the
18 Smoke Free Illinois Act.

19 (4) A unit of local government, including a home rule
20 unit or any non-home rule county within the unincorporated
21 territory of the county, may not regulate the activities
22 described in paragraph (1), (2), or (3) in a manner more
23 restrictive than the regulation of those activities by the
24 State under this Act. This Section is a limitation under
25 subsection (i) of Section 6 of Article VII of the Illinois
26 Constitution on the concurrent exercise by home rule units

1 of powers and functions exercised by the State.

2 (5) A unit of local government, including a home rule
3 unit or any non-home rule county within the unincorporated
4 territory of the county, may enact ordinances to prohibit
5 or significantly limit a cannabis business establishment's
6 location.

7 Section 55-28. Restricted cannabis zones.

8 (a) As used in this Section:

9 "Legal voter" means a person:

10 (1) who is duly registered to vote in a municipality
11 with a population of over 500,000;

12 (2) whose name appears on a poll list compiled by the
13 city board of election commissioners since the last
14 preceding election, regardless of whether the election was
15 a primary, general, or special election;

16 (3) who, at the relevant time, is a resident of the
17 address at which he or she is registered to vote; and

18 (4) whose address, at the relevant time, is located in
19 the precinct where such person seeks to circulate or sign a
20 petition under this Section.

21 As used in the definition of "legal voter", "relevant time"
22 means any time that:

23 (i) a notice of intent is filed, pursuant to subsection
24 (c) of this Section, to initiate the petition process under
25 this Section;

1 (ii) the petition is circulated for signature in the
2 applicable precinct; or

3 (iii) the petition is signed by registered voters in
4 the applicable precinct.

5 "Petition" means the petition described in this Section.

6 "Precinct" means the smallest constituent territory within
7 a municipality with a population of over 500,000 in which
8 electors vote as a unit at the same polling place in any
9 election governed by the Election Code.

10 "Restricted cannabis zone" means a precinct within which
11 home cultivation, one or more types of cannabis business
12 establishments, or both has been prohibited pursuant to an
13 ordinance initiated by a petition under this Section.

14 (b) The legal voters of any precinct within a municipality
15 with a population of over 500,000 may petition their local
16 alderman, using a petition form made available online by the
17 city clerk, to introduce an ordinance establishing the precinct
18 as a restricted zone. Such petition shall specify whether it
19 seeks an ordinance to prohibit, within the precinct: (i) home
20 cultivation; (ii) one or more types of cannabis business
21 establishments; or (iii) home cultivation and one or more types
22 of cannabis business establishments.

23 Upon receiving a petition containing the signatures of at
24 least 25% of the registered voters of the precinct, and
25 concluding that the petition is legally sufficient following
26 the posting and review process in subsection (c) of this

1 Section, the city clerk shall notify the local alderman of the
2 ward in which the precinct is located. Upon being notified,
3 that alderman, following an assessment of relevant factors
4 within the precinct, including but not limited to, its
5 geography, density and character, the prevalence of
6 residentially zoned property, current licensed cannabis
7 business establishments in the precinct, the current amount of
8 home cultivation in the precinct, and the prevailing viewpoint
9 with regard to the issue raised in the petition, may introduce
10 an ordinance to the municipality's governing body creating a
11 restricted cannabis zone in that precinct.

12 (c) A person seeking to initiate the petition process
13 described in this Section shall first submit to the city clerk
14 notice of intent to do so, on a form made available online by
15 the city clerk. That notice shall include a description of the
16 potentially affected area and the scope of the restriction
17 sought. The city clerk shall publicly post the submitted notice
18 online.

19 To be legally sufficient, a petition must contain the
20 requisite number of valid signatures and all such signatures
21 must be obtained within 90 days of the date that the city clerk
22 publicly posts the notice of intent. Upon receipt, the city
23 clerk shall post the petition on the municipality's website for
24 a 30-day comment period. The city clerk is authorized to take
25 all necessary and appropriate steps to verify the legal
26 sufficiency of a submitted petition. Following the petition

1 review and comment period, the city clerk shall publicly post
2 online the status of the petition as accepted or rejected, and
3 if rejected, the reasons therefor. If the city clerk rejects a
4 petition as legally insufficient, a minimum of 12 months must
5 elapse from the time the city clerk posts the rejection notice
6 before a new notice of intent for that same precinct may be
7 submitted.

8 (d) Notwithstanding any law to the contrary, the
9 municipality may enact an ordinance creating a restricted
10 cannabis zone. The ordinance shall:

11 (1) identify the applicable precinct boundaries as of
12 the date of the petition;

13 (2) state whether the ordinance prohibits within the
14 defined boundaries of the precinct, and in what
15 combination: (A) one or more types of cannabis business
16 establishments; or (B) home cultivation;

17 (3) be in effect for 4 years, unless repealed earlier;
18 and

19 (4) once in effect, be subject to renewal by ordinance
20 at the expiration of the 4-year period without the need for
21 another supporting petition.

22 Section 55-30. Confidentiality.

23 (a) Information provided by the cannabis business
24 establishment licensees or applicants to the Department of
25 Agriculture, the Department of Public Health, the Department of

1 Financial and Professional Regulation, the Department of
2 Commerce and Economic Opportunity, or other agency shall be
3 limited to information necessary for the purposes of
4 administering this Act. The information is subject to the
5 provisions and limitations contained in the Freedom of
6 Information Act and may be disclosed in accordance with Section
7 55-65.

8 (b) The following information received and records kept by
9 the Department of Agriculture, the Department of Public Health,
10 the Department of State Police, and the Department of Financial
11 and Professional Regulation for purposes of administering this
12 Article are subject to all applicable federal privacy laws, are
13 confidential and exempt from disclosure under the Freedom of
14 Information Act, except as provided in this Act, and not
15 subject to disclosure to any individual or public or private
16 entity, except to the Department of Financial and Professional
17 Regulation, the Department of Agriculture, the Department of
18 Public Health, and the Department of State Police as necessary
19 to perform official duties under this Article. The following
20 information received and kept by the Department of Financial
21 and Professional Regulation or the Department of Agriculture,
22 excluding any existing or non-existing Illinois or national
23 criminal history record information, may be disclosed to the
24 Department of Public Health, the Department of Agriculture, the
25 Department of Revenue, or the Department of State Police upon
26 request:

1 (1) Applications and renewals, their contents, and
2 supporting information submitted by or on behalf of
3 dispensing organizations in compliance with this Article,
4 including their physical addresses;

5 (2) Any plans, procedures, policies, or other records
6 relating to dispensing organization security;

7 (3) Information otherwise exempt from disclosure by
8 State or federal law.

9 (c) The name and address of a dispensing organization
10 licensed under this Act shall be subject to disclosure under
11 the Freedom of Information Act. The name and cannabis business
12 establishment address of the person or entity holding each
13 cannabis business establishment license shall be subject to
14 disclosure.

15 (d) All information collected by the Department of
16 Financial and Professional Regulation in the course of an
17 examination, inspection, or investigation of a licensee or
18 applicant, including, but not limited to, any complaint against
19 a licensee or applicant filed with the Department and
20 information collected to investigate any such complaint, shall
21 be maintained for the confidential use of the Department and
22 shall not be disclosed, except as otherwise provided in the
23 Act. A formal complaint against a licensee by the Department or
24 any disciplinary order issued by the Department against a
25 licensee or applicant shall be a public record, except as
26 otherwise prohibited by law, as required by law, or as

1 necessary to enforce the provisions of this Act. Complaints
2 from consumers or members of the general public received
3 regarding a specific, named licensee or complaints regarding
4 conduct by unlicensed entities shall be subject to disclosure
5 under the Freedom of Information Act

6 (e) The Department of Agriculture, the Department of State
7 Police, and the Department of Financial and Professional
8 Regulation shall not share or disclose any existing or
9 non-existing Illinois or national criminal history record
10 information to any person or entity not expressly authorized by
11 this Act. As used in this Section, "any existing or
12 non-existing Illinois or national criminal history record
13 information" means any Illinois or national criminal history
14 record information, including but not limited to the lack of or
15 non-existence of these records.

16 (f) Each Department responsible for licensure under this
17 Act shall publish on the Department's website a list of the
18 ownership information of cannabis business establishment
19 licensees under the Department's jurisdiction. The list shall
20 include, but is not limited to: the name of the person or
21 entity holding each cannabis business establishment license;
22 and the address at which the entity is operating under this
23 Act. This list shall be published and updated monthly.

24 Section 55-35. Administrative rulemaking.

25 (a) No later than 180 days after the effective date of this

1 Act, the Department of Agriculture, the Department of State
2 Police, the Department of Financial and Professional
3 Regulation, the Department of Revenue, the Department of
4 Commerce and Economic Opportunity, and the Treasurer's Office
5 shall adopt permanent rules in accordance with their
6 responsibilities under this Act. The Department of
7 Agriculture, the Department of State Police, the Department of
8 Financial and Professional Regulation, the Department of
9 Revenue, and the Department of Commerce and Economic
10 Opportunity may adopt rules necessary to regulate personal
11 cannabis use through the use of emergency rulemaking in
12 accordance with subsection (gg) of Section 5-45 of the Illinois
13 Administrative Procedure Act. The General Assembly finds that
14 the adoption of rules to regulate cannabis use is deemed an
15 emergency and necessary for the public interest, safety, and
16 welfare.

17 (b) The Department of Agriculture rules may address, but
18 are not limited to, the following matters related to
19 cultivation centers, craft growers, infuser organizations, and
20 transporting organizations with the goal of protecting against
21 diversion and theft, without imposing an undue burden on the
22 cultivation centers, craft growers, infuser organizations, or
23 transporting organizations:

24 (1) oversight requirements for cultivation centers,
25 craft growers, infuser organizations, and transporting
26 organizations;

1 (2) recordkeeping requirements for cultivation
2 centers, craft growers, infuser organizations, and
3 transporting organizations;

4 (3) security requirements for cultivation centers,
5 craft growers, infuser organizations, and transporting
6 organizations, which shall include that each cultivation
7 center, craft grower, infuser organization, and
8 transporting organization location must be protected by a
9 fully operational security alarm system;

10 (4) standards for enclosed, locked facilities under
11 this Act;

12 (5) procedures for suspending or revoking the
13 identification cards of agents of cultivation centers,
14 craft growers, infuser organizations, and transporting
15 organizations that commit violations of this Act or the
16 rules adopted under this Section;

17 (6) rules concerning the intrastate transportation of
18 cannabis from a cultivation center, craft grower, infuser
19 organization, and transporting organization to a
20 dispensing organization;

21 (7) standards concerning the testing, quality,
22 cultivation, and processing of cannabis; and

23 (8) any other matters under oversight by the Department
24 of Agriculture as are necessary for the fair, impartial,
25 stringent, and comprehensive administration of this Act.

26 (c) The Department of Financial and Professional

1 Regulation rules may address, but are not limited to, the
2 following matters related to dispensing organizations, with
3 the goal of protecting against diversion and theft, without
4 imposing an undue burden on the dispensing organizations:

5 (1) oversight requirements for dispensing
6 organizations;

7 (2) recordkeeping requirements for dispensing
8 organizations;

9 (3) security requirements for dispensing
10 organizations, which shall include that each dispensing
11 organization location must be protected by a fully
12 operational security alarm system;

13 (4) procedures for suspending or revoking the licenses
14 of dispensing organization agents that commit violations
15 of this Act or the rules adopted under this Act;

16 (5) any other matters under oversight by the Department
17 of Financial and Professional Regulation that are
18 necessary for the fair, impartial, stringent, and
19 comprehensive administration of this Act.

20 (d) The Department of Revenue rules may address, but are
21 not limited to, the following matters related to the payment of
22 taxes by cannabis business establishments:

23 (1) recording of sales;

24 (2) documentation of taxable income and expenses;

25 (3) transfer of funds for the payment of taxes; or

26 (4) any other matter under the oversight of the

1 Department of Revenue.

2 (e) The Department of Commerce and Economic Opportunity
3 rules may address, but are not limited to, a loan program or
4 grant program to assist Social Equity Applicants access the
5 capital needed to start a cannabis business establishment. The
6 names of recipients and the amounts of any moneys received
7 through a loan program or grant program shall be a public
8 record.

9 (f) The Department of State Police rules may address
10 enforcement of its authority under this Act. The Department of
11 State Police shall not make rules that infringe on the
12 exclusive authority of the Department of Financial and
13 Professional Regulation or the Department of Agriculture over
14 licensees under this Act.

15 (g) The Department of Public Health shall develop and
16 disseminate:

17 (1) educational information about the health risks
18 associated with the use of cannabis; and

19 (2) one or more public education campaigns in
20 coordination with local health departments and community
21 organizations, including one or more prevention campaigns
22 directed at children, adolescents, parents, and pregnant
23 or breastfeeding women, to inform them of the potential
24 health risks associated with intentional or unintentional
25 cannabis use.

1 Section 55-40. Enforcement.

2 (a) If the Department of Agriculture, Department of State
3 Police, Department of Financial and Professional Regulation,
4 Department of Commerce and Economic Opportunity, or Department
5 of Revenue fails to adopt rules to implement this Act within
6 the times provided in this Act, any citizen may commence a
7 mandamus action in the circuit court to compel the agencies to
8 perform the actions mandated under Section 55-35.

9 (b) If the Department of Agriculture or the Department of
10 Financial and Professional Regulation fails to issue a valid
11 agent identification card in response to a valid initial
12 application or renewal application submitted under this Act or
13 fails to issue a verbal or written notice of denial of the
14 application within 30 days of its submission, the agent
15 identification card is deemed granted and a copy of the agent
16 identification initial application or renewal application
17 shall be deemed a valid agent identification card.

18 (c) Authorized employees of State or local law enforcement
19 agencies shall immediately notify the Department of
20 Agriculture and the Department of Financial and Professional
21 Regulation when any person in possession of an agent
22 identification card has been convicted of or pled guilty to
23 violating this Act.

24 Section 55-45. Administrative hearings.

25 (a) Administrative hearings related to the duties and

1 responsibilities assigned to the Department of Public Health
2 shall be conducted under the Department of Public Health's
3 rules governing administrative hearings.

4 (b) Administrative hearings related to the duties and
5 responsibilities assigned to the Department of Financial and
6 Professional Regulation and dispensing organization agents
7 shall be conducted under the Department of Financial and
8 Professional Regulation's rules governing administrative
9 hearings.

10 (c) Administrative hearings related to the duties and
11 responsibilities assigned to the Department of Agriculture,
12 cultivation centers, or cultivation center agents shall be
13 conducted under the Department of Agriculture's rules
14 governing administrative hearings.

15 Section 55-50. Petition for rehearing. Within 20 days after
16 the service of any order or decision of the Department of
17 Public Health, the Department of Agriculture, the Department of
18 Financial and Professional Regulation, or the Department of
19 State Police upon any party to the proceeding, the party may
20 apply for a rehearing in respect to any matters determined by
21 them under this Act, except for decisions made under the
22 Cannabis Cultivation Privilege Tax Law, the Cannabis Purchaser
23 Excise Tax Law, the County Cannabis Retailers' Occupation Tax
24 Law, and the Municipal Cannabis Retailers' Occupation Tax Law,
25 which shall be governed by the provisions of those Laws. If a

1 rehearing is granted, an agency shall hold the rehearing and
2 render a decision within 30 days from the filing of the
3 application for rehearing with the agency. The time for holding
4 such rehearing and rendering a decision may be extended for a
5 period not to exceed 30 days, for good cause shown, and by
6 notice in writing to all parties of interest. If an agency
7 fails to act on the application for rehearing within 30 days,
8 or the date the time for rendering a decision was extended for
9 good cause shown, the order or decision of the agency is final.
10 No action for the judicial review of any order or decision of
11 an agency shall be allowed unless the party commencing such
12 action has first filed an application for a rehearing and the
13 agency has acted or failed to act upon the application. Only
14 one rehearing may be granted by an agency on application of any
15 one party.

16 Section 55-55. Review of administrative decisions. All
17 final administrative decisions of the Department of Public
18 Health, the Department of Agriculture, the Department of
19 Financial and Professional Regulation, and the Department of
20 State Police are subject to judicial review under the
21 Administrative Review Law and the rules adopted under that Law.
22 The term "administrative decision" is defined as in Section
23 3-101 of the Code of Civil Procedure.

24 Section 55-60. Suspension or revocation of a license.

1 (a) The Department of Financial and Professional
2 Regulation or the Department of Agriculture may suspend or
3 revoke a license for a violation of this Act or a rule adopted
4 in accordance with this Act by the Department of Agriculture
5 and the Department of Financial and Professional Regulation.

6 (b) The Department of Agriculture and the Department of
7 Financial and Professional Regulation may suspend or revoke an
8 agent identification card for a violation of this Act or a rule
9 adopted in accordance with this Act.

10 Section 55-65. Financial institutions.

11 (a) A financial institution that provides financial
12 services customarily provided by financial institutions to a
13 cannabis business establishment authorized under this Act or
14 the Compassionate Use of Medical Cannabis Pilot Program Act, or
15 to a person that is affiliated with such cannabis business
16 establishment, is exempt from any criminal law of this State as
17 it relates to cannabis-related conduct authorized under State
18 law.

19 (b) Upon request of a financial institution, a cannabis
20 business establishment or proposed cannabis business
21 establishment may provide to the financial institution the
22 following information:

23 (1) Whether a cannabis business establishment with
24 which the financial institution is doing or is considering
25 doing business holds a license under this Act or the

1 Compassionate Use of Medical Cannabis Pilot Program Act;

2 (2) The name of any other business or individual
3 affiliate with the cannabis business establishment;

4 (3) A copy of the application, and any supporting
5 documentation submitted with the application, for a
6 license or a permit submitted on behalf of the proposed
7 cannabis business establishment;

8 (4) If applicable, data relating to sales and the
9 volume of product sold by the cannabis business
10 establishment;

11 (5) Any past or pending violation by the person of this
12 Act, the Compassionate Use of Medical Cannabis Pilot
13 Program Act, or the rules adopted under these Acts where
14 applicable; and

15 (6) Any penalty imposed upon the person for violating
16 this Act, the Compassionate Use of Medical Cannabis Pilot
17 Program Act, or the rules adopted under these Acts.

18 (c) (Blank).

19 (d) (Blank).

20 (e) Information received by a financial institution under
21 this Section is confidential. Except as otherwise required or
22 permitted by this Act, State law or rule, or federal law or
23 regulation, a financial institution may not make the
24 information available to any person other than:

25 (1) the customer to whom the information applies;

26 (2) a trustee, conservator, guardian, personal

1 representative, or agent of the customer to whom the
2 information applies; a federal or State regulator when
3 requested in connection with an examination of the
4 financial institution or if otherwise necessary for
5 complying with federal or State law;

6 (3) a federal or State regulator when requested in
7 connection with an examination of the financial
8 institution or if otherwise necessary for complying with
9 federal or State law; and

10 (4) a third party performing services for the financial
11 institution, provided the third party is performing such
12 services under a written agreement that expressly or by
13 operation of law prohibits the third party's sharing and
14 use of such confidential information for any purpose other
15 than as provided in its agreement to provide services to
16 the financial institution.

17 Section 55-75. Contracts enforceable. It is the public
18 policy of this State that contracts related to the operation of
19 a lawful cannabis business establishment under this Act are
20 enforceable. It is the public policy of this State that no
21 contract entered into by a lawful cannabis business
22 establishment or its agents on behalf of a cannabis business
23 establishment, or by those who allow property to be used by a
24 cannabis business establishment, shall be unenforceable on the
25 basis that cultivating, obtaining, manufacturing, processing,

1 distributing, dispensing, transporting, selling, possessing,
2 or using cannabis or hemp is prohibited by federal law.

3 Section 55-80. Annual reports.

4 (a) The Department of Financial and Professional
5 Regulation shall submit to the General Assembly and Governor a
6 report, by September 30 of each year, that does not disclose
7 any information identifying information about cultivation
8 centers, craft growers, infuser organizations, transporting
9 organizations, or dispensing organizations, but does contain,
10 at a minimum, all of the following information for the previous
11 fiscal year:

12 (1) The number of licenses issued to dispensing
13 organizations by county, or, in counties with greater than
14 3,000,000 residents, by zip code;

15 (2) The total number of dispensing organization owners
16 that are Social Equity Applicants or minority persons,
17 women, or persons with disabilities as those terms are
18 defined in the Business Enterprise for Minorities, Women,
19 and Persons with Disabilities Act;

20 (3) The total number of revenues received from
21 dispensing organizations, segregated from revenues
22 received from dispensing organizations under the
23 Compassionate Use of Medical Cannabis Pilot Program Act by
24 county, separated by source of revenue;

25 (4) The total amount of revenue received from

1 dispensing organizations that share a premises or majority
2 ownership with a craft grower;

3 (5) The total amount of revenue received from
4 dispensing organizations that share a premises or majority
5 ownership with an infuser; and

6 (6) An analysis of revenue generated from taxation,
7 licensing, and other fees for the State, including
8 recommendations to change the tax rate applied.

9 (b) The Department of Agriculture shall submit to the
10 General Assembly and Governor a report, by September 30 of each
11 year, that does not disclose any information identifying
12 information about cultivation centers, craft growers, infuser
13 organizations, transporting organizations, or dispensing
14 organizations, but does contain, at a minimum, all of the
15 following information for the previous fiscal year:

16 (1) The number of licenses issued to cultivation
17 centers, craft growers, infusers, and transporters by
18 license type, and, in counties with more than 3,000,000
19 residents, by zip code;

20 (2) The total number of cultivation centers, craft
21 growers, infusers, and transporters by license type that
22 are Social Equity Applicants or minority persons, women, or
23 persons with disabilities as those terms are defined in the
24 Business Enterprise for Minorities, Women, and Persons
25 with Disabilities Act;

26 (3) The total amount of revenue received from

1 cultivation centers, craft growers, infusers, and
2 transporters, separated by license types and source of
3 revenue;

4 (4) The total amount of revenue received from craft
5 growers and infusers that share a premises or majority
6 ownership with a dispensing organization;

7 (5) The total amount of revenue received from craft
8 growers that share a premises or majority ownership with an
9 infuser, but do not share a premises or ownership with a
10 dispensary;

11 (6) The total amount of revenue received from infusers
12 that share a premises or majority ownership with a craft
13 grower, but do not share a premises or ownership with a
14 dispensary;

15 (7) The total amount of revenue received from craft
16 growers that share a premises or majority ownership with a
17 dispensing organization, but do not share a premises or
18 ownership with an infuser;

19 (8) The total amount of revenue received from infusers
20 that share a premises or majority ownership with a
21 dispensing organization, but do not share a premises or
22 ownership with a craft grower;

23 (9) The total amount of revenue received from
24 transporters; and

25 (10) An analysis of revenue generated from taxation,
26 licensing, and other fees for the State, including

1 recommendations to change the tax rate applied.

2 (c) The Department of State Police shall submit to the
3 General Assembly and Governor a report, by September 30 of each
4 year that contains, at a minimum, all of the following
5 information for the previous fiscal year:

6 (1) The effect of regulation and taxation of cannabis
7 on law enforcement resources;

8 (2) The impact of regulation and taxation of cannabis
9 on highway safety and rates of impaired driving, where
10 impairment was determined based on failure of a field
11 sobriety test;

12 (3) The available and emerging methods for detecting
13 the metabolites for delta-9-tetrahydrocannabinol in bodily
14 fluids, including, without limitation, blood and saliva;

15 (4) The effectiveness of current DUI laws and
16 recommendations for improvements to policy to better
17 ensure safe highways and fair laws.

18 (d) The Adult Use Cannabis Health Advisory Committee shall
19 submit to the General Assembly and Governor a report, by
20 September 30 of each year, that does not disclose any
21 identifying information about any individuals, but does
22 contain, at a minimum:

23 (1) Self-reported youth cannabis use, as published in
24 the most recent Illinois Youth Survey available;

25 (2) Self-reported adult cannabis use, as published in
26 the most recent Behavioral Risk Factor Surveillance Survey

1 available;

2 (3) Hospital room admissions and hospital utilization
3 rates caused by cannabis consumption, including the
4 presence or detection of other drugs;

5 (4) Overdoses of cannabis and poison control data,
6 including the presence of other drugs that may have
7 contributed;

8 (5) Incidents of impaired driving caused by the
9 consumption of cannabis or cannabis products, including
10 the presence of other drugs or alcohol that may have
11 contributed to the impaired driving;

12 (6) Prevalence of infants born testing positive for
13 cannabis or delta-9-tetrahydrocannabinol, including
14 demographic and racial information on which infants are
15 tested;

16 (7) Public perceptions of use and risk of harm;

17 (8) Revenue collected from cannabis taxation and how
18 that revenue was used;

19 (9) Cannabis retail licenses granted and locations;

20 (10) Cannabis-related arrests; and

21 (11) The number of individuals completing required bud
22 tender training.

23 (e) Each agency or committee submitting reports under this
24 Section may consult with one another in the preparation of each
25 report.

1 Section 55-85. Medical cannabis.

2 (a) Nothing in this Act shall be construed to limit any
3 privileges or rights of a medical cannabis patient including
4 minor patients, primary caregiver, medical cannabis
5 cultivation center, or medical cannabis dispensing
6 organization under the Compassionate Use of Medical Cannabis
7 Pilot Program Act, and where there is conflict between this Act
8 and the Compassionate Use of Medical Cannabis Pilot Program Act
9 as they relate to medical cannabis patients, the Compassionate
10 Use of Medical Cannabis Pilot Program Act shall prevail.

11 (b) Dispensary locations that obtain an Early Approval
12 Adult Use Dispensary Organization License or an Adult Use
13 Dispensary Organization License in accordance with this Act at
14 the same location as a medical cannabis dispensing organization
15 registered under the Compassionate Use of Medical Cannabis
16 Pilot Program Act shall maintain an inventory of medical
17 cannabis and medical cannabis products on a monthly basis that
18 is substantially similar in variety and quantity to the
19 products offered at the dispensary during the 6-month period
20 immediately before the effective date of this Act.

21 (c) Beginning June 30, 2020, the Department of Agriculture
22 shall make a quarterly determination whether inventory
23 requirements established for dispensaries in subsection (b)
24 should be adjusted due to changing patient need.

25 Section 55-90. Home rule preemption. Except as otherwise

1 provided in this Act, the regulation and licensing of the
2 activities described in this Act are exclusive powers and
3 functions of the State. Except as otherwise provided in this
4 Act, a unit of local government, including a home rule unit,
5 may not regulate or license the activities described in this
6 Act. This Section is a denial and limitation of home rule
7 powers and functions under subsection (h) of Section 6 of
8 Article VII of the Illinois Constitution.

9 Section 55-95. Conflict of interest. A person is ineligible
10 to apply for, hold, or own financial or voting interest in any
11 cannabis business license under this Act if, within a 2-year
12 period from the effective date of this Act, the person or his
13 or her spouse or immediately family member was a member of the
14 General Assembly or a State employee at an agency that
15 regulates cannabis business establishment license holders who
16 participated personally and substantially in the award of
17 licenses under this Act. A person who violates this Section
18 shall be guilty under subsection (b) of Section 50-5 of the
19 State Officials and Employees Ethics Act.

20 ARTICLE 60.

21 CANNABIS CULTIVATION PRIVILEGE TAX

22 Section 60-1. Short title. This Article may be referred to
23 as the Cannabis Cultivation Privilege Tax Law.

1 Section 60-5. Definitions. In this Article:

2 "Cannabis" has the meaning given to that term in Article 1
3 of this Act, except that it does not include cannabis that is
4 subject to tax under the Compassionate Use of Medical Cannabis
5 Pilot Program Act.

6 "Craft grower" has the meaning given to that term in
7 Article 1 of this Act.

8 "Cultivation center" has the meaning given to that term in
9 Article 1 of this Act.

10 "Cultivator" or "taxpayer" means a cultivation center or
11 craft grower who is subject to tax under this Article.

12 "Department" means the Department of Revenue.

13 "Director" means the Director of Revenue.

14 "Dispensing organization" or "dispensary" has the meaning
15 given to that term in Article 1 of this Act.

16 "Gross receipts" from the sales of cannabis by a cultivator
17 means the total selling price or the amount of such sales, as
18 defined in this Article. In the case of charges and time sales,
19 the amount thereof shall be included only when payments are
20 received by the cultivator.

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

1 "Infuser" means "infuser organization" or "infuser" as
2 defined in Article 1 of this Act.

3 "Selling price" or "amount of sale" means the consideration
4 for a sale valued in money whether received in money or
5 otherwise, including cash, credits, property, and services,
6 and shall be determined without any deduction on account of the
7 cost of the property sold, the cost of materials used, labor or
8 service cost, or any other expense whatsoever, but does not
9 include separately stated charges identified on the invoice by
10 cultivators to reimburse themselves for their tax liability
11 under this Article.

12 Section 60-10. Tax imposed.

13 (a) Beginning September 1, 2019, a tax is imposed upon the
14 privilege of cultivating cannabis at the rate of 7% of the
15 gross receipts from the first sale of cannabis by a cultivator.
16 The sale of any product that contains any amount of cannabis or
17 any derivative thereof is subject to the tax under this Section
18 on the full selling price of the product. The Department may
19 determine the selling price of the cannabis when the seller and
20 purchaser are affiliated persons, when the sale and purchase of
21 cannabis is not an arm's length transaction, or when cannabis
22 is transferred by a craft grower to the craft grower's
23 dispensing organization or infuser or processing organization
24 and a value is not established for the cannabis. The value
25 determined by the Department shall be commensurate with the

1 actual price received for products of like quality, character,
2 and use in the area. If there are no sales of cannabis of like
3 quality, character, and use in the same area, then the
4 Department shall establish a reasonable value based on sales of
5 products of like quality, character, and use in other areas of
6 the State, taking into consideration any other relevant
7 factors.

8 (b) The Cannabis Cultivation Privilege Tax imposed under
9 this Article is solely the responsibility of the cultivator who
10 makes the first sale and is not the responsibility of a
11 subsequent purchaser, a dispensing organization, or an
12 infuser. Persons subject to the tax imposed under this Article
13 may, however, reimburse themselves for their tax liability
14 hereunder by separately stating reimbursement for their tax
15 liability as an additional charge.

16 (c) The tax imposed under this Article shall be in addition
17 to all other occupation, privilege, or excise taxes imposed by
18 the State of Illinois or by any unit of local government.

19 Section 60-15. Registration of cultivators. Every
20 cultivator and craft grower subject to the tax under this
21 Article shall apply to the Department of Revenue for a
22 certificate of registration under this Article. All
23 applications for registration under this Article shall be made
24 by electronic means in the form and manner required by the
25 Department. For that purpose, the provisions of Section 2a of

1 the Retailers' Occupation Tax Act are incorporated into this
2 Article to the extent not inconsistent with this Article. In
3 addition, no certificate of registration shall be issued under
4 this Article unless the applicant is licensed under this Act.

5 Section 60-20. Return and payment of cannabis cultivation
6 privilege tax. Each person who is required to pay the tax
7 imposed by this Article shall make a return to the Department
8 on or before the 20th day of each month for the preceding
9 calendar month stating the following:

10 (1) the taxpayer's name;

11 (2) the address of the taxpayer's principal place of
12 business and the address of the principal place of business
13 (if that is a different address) from which the taxpayer is
14 engaged in the business of cultivating cannabis subject to
15 tax under this Article;

16 (3) the total amount of receipts received by the
17 taxpayer during the preceding calendar month from sales of
18 cannabis subject to tax under this Article by the taxpayer
19 during the preceding calendar month;

20 (4) the total amount received by the taxpayer during
21 the preceding calendar month on charge and time sales of
22 cannabis subject to tax imposed under this Article by the
23 taxpayer before the month for which the return is filed;

24 (5) deductions allowed by law;

25 (6) gross receipts that were received by the taxpayer

1 during the preceding calendar month and upon the basis of
2 which the tax is imposed;

3 (7) the amount of tax due;

4 (8) the signature of the taxpayer; and

5 (9) any other information as the Department may
6 reasonably require.

7 All returns required to be filed and payments required to
8 be made under this Article shall be by electronic means.
9 Taxpayers who demonstrate hardship in paying electronically
10 may petition the Department to waive the electronic payment
11 requirement. The Department may require a separate return for
12 the tax under this Article or combine the return for the tax
13 under this Article with the return for the tax under the
14 Compassionate Use of Medical Cannabis Pilot Program Act. If the
15 return for the tax under this Article is combined with the
16 return for tax under the Compassionate Use of Medical Cannabis
17 Pilot Program Act, then the vendor's discount allowed under
18 this Section and any cap on that discount shall apply to the
19 combined return. The taxpayer making the return provided for in
20 this Section shall also pay to the Department, in accordance
21 with this Section, the amount of tax imposed by this Article,
22 less a discount of 1.75%, but not to exceed \$1,000 per return
23 period, which is allowed to reimburse the taxpayer for the
24 expenses incurred in keeping records, collecting tax,
25 preparing and filing returns, remitting the tax, and supplying
26 data to the Department upon request. No discount may be claimed

1 by a taxpayer on returns not timely filed and for taxes not
2 timely remitted. No discount may be claimed by a taxpayer for
3 any return that is not filed electronically. No discount may be
4 claimed by a taxpayer for any payment that is not made
5 electronically, unless a waiver has been granted under this
6 Section. Any amount that is required to be shown or reported on
7 any return or other document under this Article shall, if the
8 amount is not a whole-dollar amount, be increased to the
9 nearest whole-dollar amount if the fractional part of a dollar
10 is \$0.50 or more and decreased to the nearest whole-dollar
11 amount if the fractional part of a dollar is less than \$0.50.
12 If a total amount of less than \$1 is payable, refundable, or
13 creditable, the amount shall be disregarded if it is less than
14 \$0.50 and shall be increased to \$1 if it is \$0.50 or more.
15 Notwithstanding any other provision of this Article concerning
16 the time within which a taxpayer may file a return, any such
17 taxpayer who ceases to engage in the kind of business that
18 makes the person responsible for filing returns under this
19 Article shall file a final return under this Article with the
20 Department within one month after discontinuing such business.

21 Each taxpayer under this Article shall make estimated
22 payments to the Department on or before the 7th, 15th, 22nd,
23 and last day of the month during which tax liability to the
24 Department is incurred. The payments shall be in an amount not
25 less than the lower of either 22.5% of the taxpayer's actual
26 tax liability for the month or 25% of the taxpayer's actual tax

1 liability for the same calendar month of the preceding year.
2 The amount of the quarter-monthly payments shall be credited
3 against the final tax liability of the taxpayer's return for
4 that month. If any quarter-monthly payment is not paid at the
5 time or in the amount required by this Section, then the
6 taxpayer shall be liable for penalties and interest on the
7 difference between the minimum amount due as a payment and the
8 amount of the quarter-monthly payment actually and timely paid,
9 except insofar as the taxpayer has previously made payments for
10 that month to the Department in excess of the minimum payments
11 previously due as provided in this Section.

12 If any payment provided for in this Section exceeds the
13 taxpayer's liabilities under this Article, as shown on an
14 original monthly return, the Department shall, if requested by
15 the taxpayer, issue to the taxpayer a credit memorandum no
16 later than 30 days after the date of payment. The credit
17 evidenced by the credit memorandum may be assigned by the
18 taxpayer to a similar taxpayer under this Act, in accordance
19 with reasonable rules to be prescribed by the Department. If no
20 such request is made, the taxpayer may credit the excess
21 payment against tax liability subsequently to be remitted to
22 the Department under this Act, in accordance with reasonable
23 rules prescribed by the Department. If the Department
24 subsequently determines that all or any part of the credit
25 taken was not actually due to the taxpayer, the taxpayer's
26 discount shall be reduced, if necessary, to reflect the

1 difference between the credit taken and that actually due, and
2 that taxpayer shall be liable for penalties and interest on the
3 difference.

4 If a taxpayer fails to sign a return within 30 days after
5 the proper notice and demand for signature by the Department is
6 received by the taxpayer, the return shall be considered valid
7 and any amount shown to be due on the return shall be deemed
8 assessed.

9 Section 60-25. Infuser information returns. If it is deemed
10 necessary for the administration of this Article, the
11 Department may adopt rules that require infusers to file
12 information returns regarding the sale of cannabis by infusers
13 to dispensaries. The Department may require infusers to file
14 all information returns by electronic means.

15 Section 60-30. Deposit of proceeds. All moneys received by
16 the Department under this Article shall be deposited into the
17 Cannabis Regulation Fund.

18 Section 60-35. Department administration and enforcement.
19 The Department shall have full power to administer and enforce
20 this Article, to collect all taxes, penalties, and interest due
21 hereunder, to dispose of taxes, penalties and interest so
22 collected in the manner hereinafter provided, and to determine
23 all rights to credit memoranda, arising on account of the

1 erroneous payment of tax, penalty, or interest hereunder. In
2 the administration of, and compliance with, this Article, the
3 Department and persons who are subject to this Article shall
4 have the same rights, remedies, privileges, immunities,
5 powers, and duties, and be subject to the same conditions,
6 restrictions, limitations, penalties, and definitions of
7 terms, and employ the same modes of procedure, as are
8 prescribed in Sections 1, 2-40, 2a, 2b, 2i, 4, 5, 5a, 5b, 5c,
9 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a,
10 12, and 13 of the Retailers' Occupation Tax Act and all of the
11 provisions of the Uniform Penalty and Interest Act, which are
12 not inconsistent with this Article, as fully as if those
13 provisions were set forth herein. For purposes of this Section,
14 references in the Retailers' Occupation Tax Act to a "sale of
15 tangible personal property at retail" mean the "sale of
16 cannabis by a cultivator".

17 Section 60-40. Invoices. Every sales invoice for cannabis
18 issued by a cultivator to a cannabis business establishment
19 shall contain the cultivator's certificate of registration
20 number assigned under this Article, date, invoice number,
21 purchaser's name and address, selling price, amount of
22 cannabis, concentrate, or cannabis-infused product, and any
23 other reasonable information as the Department may provide by
24 rule is necessary for the administration of this Article.
25 Cultivators shall retain the invoices for inspection by the

1 Department.

2 Section 60-45. Rules. The Department may adopt rules
3 related to the enforcement of this Article.

4 ARTICLE 65.

5 CANNABIS PURCHASER EXCISE TAX

6 Section 65-1. Short title. This Article may be referred to
7 as the Cannabis Purchaser Excise Tax Law.

8 Section 65-5. Definitions. In this Article:

9 "Adjusted delta-9-tetrahydrocannabinol level" means, for a
10 delta-9-tetrahydrocannabinol dominant product, the sum of the
11 percentage of delta-9-tetrahydrocannabinol plus .877
12 multiplied by the percentage of tetrahydrocannabinolic acid.

13 "Cannabis" has the meaning given to that term in Article 1
14 of this Act, except that it does not include cannabis that is
15 subject to tax under the Compassionate Use of Medical Cannabis
16 Pilot Program Act.

17 "Cannabis-infused product" means beverage food, oils,
18 ointments, tincture, topical formulation, or another product
19 containing cannabis that is not intended to be smoked.

20 "Cannabis retailer" means a dispensing organization that
21 sells cannabis for use and not for resale.

22 "Craft grower" has the meaning given to that term in

1 Article 1 of this Act.

2 "Department" means the Department of Revenue.

3 "Director" means the Director of Revenue.

4 "Dispensing organization" or "dispensary" has the meaning
5 given to that term in Article 1 of this Act.

6 "Person" means a natural individual, firm, partnership,
7 association, joint stock company, joint adventure, public or
8 private corporation, limited liability company, or a receiver,
9 executor, trustee, guardian, or other representative appointed
10 by order of any court.

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

16 "Purchase price" means the consideration paid for a
17 purchase of cannabis, valued in money, whether received in
18 money or otherwise, including cash, gift cards, credits, and
19 property and shall be determined without any deduction on
20 account of the cost of materials used, labor or service costs,
21 or any other expense whatsoever. However, "purchase price" does
22 not include consideration paid for:

23 (1) any charge for a payment that is not honored by a
24 financial institution;

25 (2) any finance or credit charge, penalty or charge for
26 delayed payment, or discount for prompt payment; and

1 (3) any amounts added to a purchaser's bill because of
2 charges made under the tax imposed by this Article, the
3 Municipal Cannabis Retailers' Occupation Tax Law, the
4 County Cannabis Retailers' Occupation Tax Law, the
5 Retailers' Occupation Tax Act, the Use Tax Act, the Service
6 Occupation Tax Act, the Service Use Tax Act, or any locally
7 imposed occupation or use tax.

8 "Purchaser" means a person who acquires cannabis for a
9 valuable consideration.

10 "Taxpayer" means a cannabis retailer who is required to
11 collect the tax imposed under this Article.

12 Section 65-10. Tax imposed.

13 (a) Beginning January 1, 2020, a tax is imposed upon
14 purchasers for the privilege of using cannabis at the following
15 rates:

16 (1) Any cannabis, other than a cannabis-infused
17 product, with an adjusted delta-9-tetrahydrocannabinol
18 level at or below 35% shall be taxed at a rate of 10% of the
19 purchase price;

20 (2) Any cannabis, other than a cannabis-infused
21 product, with an adjusted delta-9-tetrahydrocannabinol
22 level above 35% shall be taxed at a rate of 25% of the
23 purchase price; and

24 (3) A cannabis-infused product shall be taxed at a rate
25 of 20% of the purchase price.

1 (b) The purchase of any product that contains any amount of
2 cannabis or any derivative thereof is subject to the tax under
3 subsection (a) of this Section on the full purchase price of
4 the product.

5 (c) The tax imposed under this Section is not imposed on
6 cannabis that is subject to tax under the Compassionate Use of
7 Medical Cannabis Pilot Program Act. The tax imposed by this
8 Section is not imposed with respect to any transaction in
9 interstate commerce, to the extent the transaction may not,
10 under the Constitution and statutes of the United States, be
11 made the subject of taxation by this State.

12 (d) The tax imposed under this Article shall be in addition
13 to all other occupation, privilege, or excise taxes imposed by
14 the State of Illinois or by any municipal corporation or
15 political subdivision thereof.

16 (e) The tax imposed under this Article shall not be imposed
17 on any purchase by a purchaser if the cannabis retailer is
18 prohibited by federal or State Constitution, treaty,
19 convention, statute, or court decision from collecting the tax
20 from the purchaser.

21 Section 65-11. Bundling of taxable and nontaxable items;
22 prohibition; taxation. If a cannabis retailer sells cannabis,
23 concentrate, or cannabis-infused products in combination or
24 bundled with items that are not subject to tax under this Act
25 for one price in violation of the prohibition on this activity

1 under Section 15-70, then the tax under this Act is imposed on
2 the purchase price of the entire bundled product.

3 Section 65-15. Collection of tax.

4 (a) The tax imposed by this Article shall be collected from
5 the purchaser by the cannabis retailer at the rate stated in
6 Section 65-10 with respect to cannabis sold by the cannabis
7 retailer to the purchaser, and shall be remitted to the
8 Department as provided in Section 65-30. All sales to a
9 purchaser who is not a cardholder under the Compassionate Use
10 of Medical Cannabis Pilot Program Act are presumed subject to
11 tax collection. Cannabis retailers shall collect the tax from
12 purchasers by adding the tax to the amount of the purchase
13 price received from the purchaser for selling cannabis to the
14 purchaser. The tax imposed by this Article shall, when
15 collected, be stated as a distinct item separate and apart from
16 the purchase price of the cannabis.

17 (b) If a cannabis retailer collects Cannabis Purchaser
18 Excise Tax measured by a purchase price that is not subject to
19 Cannabis Purchaser Excise Tax, or if a cannabis retailer, in
20 collecting Cannabis Purchaser Excise Tax measured by a purchase
21 price that is subject to tax under this Act, collects more from
22 the purchaser than the required amount of the Cannabis
23 Purchaser Excise Tax on the transaction, the purchaser shall
24 have a legal right to claim a refund of that amount from the
25 cannabis retailer. If, however, that amount is not refunded to

1 the purchaser for any reason, the cannabis retailer is liable
2 to pay that amount to the Department.

3 (c) Any person purchasing cannabis subject to tax under
4 this Article as to which there has been no charge made to him
5 or her of the tax imposed by Section 65-10 shall make payment
6 of the tax imposed by Section 65-10 in the form and manner
7 provided by the Department not later than the 20th day of the
8 month following the month of purchase of the cannabis.

9 Section 65-20. Registration of cannabis retailers. Every
10 cannabis retailer required to collect the tax under this
11 Article shall apply to the Department for a certificate of
12 registration under this Article. All applications for
13 registration under this Article shall be made by electronic
14 means in the form and manner required by the Department. For
15 that purpose, the provisions of Section 2a of the Retailers'
16 Occupation Tax Act are incorporated into this Article to the
17 extent not inconsistent with this Article. In addition, no
18 certificate of registration shall be issued under this Article
19 unless the applicant is licensed under this Act.

20 Section 65-25. Tax collected as debt owed to State. Any
21 cannabis retailer required to collect the tax imposed by this
22 Article shall be liable to the Department for the tax, whether
23 or not the tax has been collected by the cannabis retailer, and
24 any such tax shall constitute a debt owed by the cannabis

1 retailer to this State. To the extent that a cannabis retailer
2 required to collect the tax imposed by this Act has actually
3 collected that tax, the tax is held in trust for the benefit of
4 the Department.

5 Section 65-30. Return and payment of tax by cannabis
6 retailer. Each cannabis retailer that is required or authorized
7 to collect the tax imposed by this Article shall make a return
8 to the Department, by electronic means, on or before the 20th
9 day of each month for the preceding calendar month stating the
10 following:

11 (1) the cannabis retailer's name;

12 (2) the address of the cannabis retailer's principal
13 place of business and the address of the principal place of
14 business (if that is a different address) from which the
15 cannabis retailer engaged in the business of selling
16 cannabis subject to tax under this Article;

17 (3) the total purchase price received by the cannabis
18 retailer for cannabis subject to tax under this Article;

19 (4) the amount of tax due at each rate;

20 (5) the signature of the cannabis retailer; and

21 (6) any other information as the Department may
22 reasonably require.

23 All returns required to be filed and payments required to
24 be made under this Article shall be by electronic means.
25 Cannabis retailers who demonstrate hardship in paying

1 electronically may petition the Department to waive the
2 electronic payment requirement.

3 Any amount that is required to be shown or reported on any
4 return or other document under this Article shall, if the
5 amount is not a whole-dollar amount, be increased to the
6 nearest whole-dollar amount if the fractional part of a dollar
7 is \$0.50 or more and decreased to the nearest whole-dollar
8 amount if the fractional part of a dollar is less than \$0.50.
9 If a total amount of less than \$1 is payable, refundable, or
10 creditable, the amount shall be disregarded if it is less than
11 \$0.50 and shall be increased to \$1 if it is \$0.50 or more.

12 The cannabis retailer making the return provided for in
13 this Section shall also pay to the Department, in accordance
14 with this Section, the amount of tax imposed by this Article,
15 less a discount of 1.75%, but not to exceed \$1,000 per return
16 period, which is allowed to reimburse the cannabis retailer for
17 the expenses incurred in keeping records, collecting tax,
18 preparing and filing returns, remitting the tax, and supplying
19 data to the Department upon request. No discount may be claimed
20 by a cannabis retailer on returns not timely filed and for
21 taxes not timely remitted. No discount may be claimed by a
22 taxpayer for any return that is not filed electronically. No
23 discount may be claimed by a taxpayer for any payment that is
24 not made electronically, unless a waiver has been granted under
25 this Section.

26 Notwithstanding any other provision of this Article

1 concerning the time within which a cannabis retailer may file a
2 return, any such cannabis retailer who ceases to engage in the
3 kind of business that makes the person responsible for filing
4 returns under this Article shall file a final return under this
5 Article with the Department within one month after
6 discontinuing the business.

7 Each cannabis retailer shall make estimated payments to the
8 Department on or before the 7th, 15th, 22nd, and last day of
9 the month during which tax liability to the Department is
10 incurred. The payments shall be in an amount not less than the
11 lower of either 22.5% of the cannabis retailer's actual tax
12 liability for the month or 25% of the cannabis retailer's
13 actual tax liability for the same calendar month of the
14 preceding year. The amount of the quarter-monthly payments
15 shall be credited against the final tax liability of the
16 cannabis retailer's return for that month. If any such
17 quarter-monthly payment is not paid at the time or in the
18 amount required by this Section, then the cannabis retailer
19 shall be liable for penalties and interest on the difference
20 between the minimum amount due as a payment and the amount of
21 the quarter-monthly payment actually and timely paid, except
22 insofar as the cannabis retailer has previously made payments
23 for that month to the Department in excess of the minimum
24 payments previously due as provided in this Section.

25 If any payment provided for in this Section exceeds the
26 taxpayer's liabilities under this Article, as shown on an

1 original monthly return, the Department shall, if requested by
2 the taxpayer, issue to the taxpayer a credit memorandum no
3 later than 30 days after the date of payment. The credit
4 evidenced by the credit memorandum may be assigned by the
5 taxpayer to a similar taxpayer under this Article, in
6 accordance with reasonable rules to be prescribed by the
7 Department. If no such request is made, the taxpayer may credit
8 the excess payment against tax liability subsequently to be
9 remitted to the Department under this Article, in accordance
10 with reasonable rules prescribed by the Department. If the
11 Department subsequently determines that all or any part of the
12 credit taken was not actually due to the taxpayer, the
13 taxpayer's discount shall be reduced, if necessary, to reflect
14 the difference between the credit taken and that actually due,
15 and that taxpayer shall be liable for penalties and interest on
16 the difference. If a cannabis retailer fails to sign a return
17 within 30 days after the proper notice and demand for signature
18 by the Department is received by the cannabis retailer, the
19 return shall be considered valid and any amount shown to be due
20 on the return shall be deemed assessed.

21 Section 65-35. Deposit of proceeds. All moneys received by
22 the Department under this Article shall be paid into the
23 Cannabis Regulation Fund.

24 Section 65-36. Recordkeeping; books and records.

1 (a) Every retailer of cannabis, whether or not the retailer
2 has obtained a certificate of registration under Section 65-20,
3 shall keep complete and accurate records of cannabis held,
4 purchased, sold, or otherwise disposed of, and shall preserve
5 and keep all invoices, bills of lading, sales records, and
6 copies of bills of sale, returns, and other pertinent papers
7 and documents relating to the purchase, sale, or disposition of
8 cannabis. Such records need not be maintained on the licensed
9 premises but must be maintained in the State of Illinois.
10 However, all original invoices or copies thereof covering
11 purchases of cannabis must be retained on the licensed premises
12 for a period of 90 days after such purchase, unless the
13 Department has granted a waiver in response to a written
14 request in cases where records are kept at a central business
15 location within the State of Illinois. The Department shall
16 adopt rules regarding the eligibility for a waiver, revocation
17 of a waiver, and requirements and standards for maintenance and
18 accessibility of records located at a central location under a
19 waiver provided under this Section.

20 (b) Books, records, papers, and documents that are required
21 by this Article to be kept shall, at all times during the usual
22 business hours of the day, be subject to inspection by the
23 Department or its duly authorized agents and employees. The
24 books, records, papers, and documents for any period with
25 respect to which the Department is authorized to issue a notice
26 of tax liability shall be preserved until the expiration of

1 that period.

2 Section 65-38. Violations and penalties.

3 (a) When the amount due is under \$300, any retailer of
4 cannabis who fails to file a return, willfully fails or refuses
5 to make any payment to the Department of the tax imposed by
6 this Article, or files a fraudulent return, or any officer or
7 agent of a corporation engaged in the business of selling
8 cannabis to purchasers located in this State who signs a
9 fraudulent return filed on behalf of the corporation, or any
10 accountant or other agent who knowingly enters false
11 information on the return of any taxpayer under this Article is
12 guilty of a Class 4 felony.

13 (b) When the amount due is \$300 or more, any retailer of
14 cannabis who files, or causes to be filed, a fraudulent return,
15 or any officer or agent of a corporation engaged in the
16 business of selling cannabis to purchasers located in this
17 State who files or causes to be filed or signs or causes to be
18 signed a fraudulent return filed on behalf of the corporation,
19 or any accountant or other agent who knowingly enters false
20 information on the return of any taxpayer under this Article is
21 guilty of a Class 3 felony.

22 (c) Any person who violates any provision of Section 65-20,
23 fails to keep books and records as required under this Article,
24 or willfully violates a rule of the Department for the
25 administration and enforcement of this Article is guilty of a

1 Class 4 felony. A person commits a separate offense on each day
2 that he or she engages in business in violation of Section
3 65-20 or a rule of the Department for the administration and
4 enforcement of this Article. If a person fails to produce the
5 books and records for inspection by the Department upon
6 request, a prima facie presumption shall arise that the person
7 has failed to keep books and records as required under this
8 Article. A person who is unable to rebut this presumption is in
9 violation of this Article and is subject to the penalties
10 provided in this Section.

11 (d) Any person who violates any provision of Sections
12 65-20, fails to keep books and records as required under this
13 Article, or willfully violates a rule of the Department for the
14 administration and enforcement of this Article, is guilty of a
15 business offense and may be fined up to \$5,000. If a person
16 fails to produce books and records for inspection by the
17 Department upon request, a prima facie presumption shall arise
18 that the person has failed to keep books and records as
19 required under this Article. A person who is unable to rebut
20 this presumption is in violation of this Article and is subject
21 to the penalties provided in this Section. A person commits a
22 separate offense on each day that he or she engages in business
23 in violation of Section 65-20.

24 (e) Any taxpayer or agent of a taxpayer who with the intent
25 to defraud purports to make a payment due to the Department by
26 issuing or delivering a check or other order upon a real or

1 fictitious depository for the payment of money, knowing that it
2 will not be paid by the depository, is guilty of a deceptive
3 practice in violation of Section 17-1 of the Criminal Code of
4 2012.

5 (f) Any person who fails to keep books and records or fails
6 to produce books and records for inspection, as required by
7 Section 65-36, is liable to pay to the Department, for deposit
8 in the Tax Compliance and Administration Fund, a penalty of
9 \$1,000 for the first failure to keep books and records or
10 failure to produce books and records for inspection, as
11 required by Section 65-36, and \$3,000 for each subsequent
12 failure to keep books and records or failure to produce books
13 and records for inspection, as required by Section 65-36.

14 (g) Any person who knowingly acts as a retailer of cannabis
15 in this State without first having obtained a certificate of
16 registration to do so in compliance with Section 65-20 of this
17 Article shall be guilty of a Class 4 felony.

18 (h) A person commits the offense of tax evasion under this
19 Article when he or she knowingly attempts in any manner to
20 evade or defeat the tax imposed on him or her or on any other
21 person, or the payment thereof, and he or she commits an
22 affirmative act in furtherance of the evasion. As used in this
23 Section, "affirmative act in furtherance of the evasion" means
24 an act designed in whole or in part to (i) conceal,
25 misrepresent, falsify, or manipulate any material fact or (ii)
26 tamper with or destroy documents or materials related to a

1 person's tax liability under this Article. Two or more acts of
2 sales tax evasion may be charged as a single count in any
3 indictment, information, or complaint and the amount of tax
4 deficiency may be aggregated for purposes of determining the
5 amount of tax that is attempted to be or is evaded and the
6 period between the first and last acts may be alleged as the
7 date of the offense.

8 (1) When the amount of tax, the assessment or payment
9 of which is attempted to be or is evaded is less than \$500,
10 a person is guilty of a Class 4 felony.

11 (2) When the amount of tax, the assessment or payment
12 of which is attempted to be or is evaded is \$500 or more
13 but less than \$10,000, a person is guilty of a Class 3
14 felony.

15 (3) When the amount of tax, the assessment or payment
16 of which is attempted to be or is evaded is \$10,000 or more
17 but less than \$100,000, a person is guilty of a Class 2
18 felony.

19 (4) When the amount of tax, the assessment or payment
20 of which is attempted to be or is evaded is \$100,000 or
21 more, a person is guilty of a Class 1 felony.

22 Any person who knowingly sells, purchases, installs,
23 transfers, possesses, uses, or accesses any automated sales
24 suppression device, zapper, or phantom-ware in this State is
25 guilty of a Class 3 felony.

26 As used in this Section:

1 "Automated sales suppression device" or "zapper" means a
2 software program that falsifies the electronic records of an
3 electronic cash register or other point-of-sale system,
4 including, but not limited to, transaction data and transaction
5 reports. The term includes the software program, any device
6 that carries the software program, or an Internet link to the
7 software program.

8 "Phantom-ware" means a hidden programming option embedded
9 in the operating system of an electronic cash register or
10 hardwired into an electronic cash register that can be used to
11 create a second set of records or that can eliminate or
12 manipulate transaction records in an electronic cash register.

13 "Electronic cash register" means a device that keeps a
14 register or supporting documents through the use of an
15 electronic device or computer system designed to record
16 transaction data for the purpose of computing, compiling, or
17 processing retail sales transaction data in any manner.

18 "Transaction data" includes: items purchased by a
19 purchaser; the price of each item; a taxability determination
20 for each item; a segregated tax amount for each taxed item; the
21 amount of cash or credit tendered; the net amount returned to
22 the customer in change; the date and time of the purchase; the
23 name, address, and identification number of the vendor; and the
24 receipt or invoice number of the transaction.

25 "Transaction report" means a report that documents,
26 without limitation, the sales, taxes, or fees collected, media

1 totals, and discount voids at an electronic cash register and
2 that is printed on a cash register tape at the end of a day or
3 shift, or a report that documents every action at an electronic
4 cash register and is stored electronically.

5 A prosecution for any act in violation of this Section may
6 be commenced at any time within 5 years of the commission of
7 that act.

8 (i) The Department may adopt rules to administer the
9 penalties under this Section.

10 (j) Any person whose principal place of business is in this
11 State and who is charged with a violation under this Section
12 shall be tried in the county where his or her principal place
13 of business is located unless he or she asserts a right to be
14 tried in another venue.

15 (k) Except as otherwise provided in subsection (h), a
16 prosecution for a violation described in this Section may be
17 commenced within 3 years after the commission of the act
18 constituting the violation.

19 Section 65-40. Department administration and enforcement.
20 The Department shall have full power to administer and enforce
21 this Article, to collect all taxes and penalties due hereunder,
22 to dispose of taxes and penalties so collected in the manner
23 hereinafter provided, and to determine all rights to credit
24 memoranda, arising on account of the erroneous payment of tax
25 or penalty hereunder.

1 In the administration of, and compliance with, this
2 Article, the Department and persons who are subject to this
3 Article shall have the same rights, remedies, privileges,
4 immunities, powers, and duties, and be subject to the same
5 conditions, restrictions, limitations, penalties, and
6 definitions of terms, and employ the same modes of procedure,
7 as are prescribed in Sections 2, 3-55, 3a, 4, 5, 7, 10a, 11,
8 12a, 12b, 14, 15, 19, 20, 21, and 22 of the Use Tax Act and
9 Sections 1, 2-12, 2b, 4 (except that the time limitation
10 provisions shall run from the date when the tax is due rather
11 than from the date when gross receipts are received), 5 (except
12 that the time limitation provisions on the issuance of notices
13 of tax liability shall run from the date when the tax is due
14 rather than from the date when gross receipts are received and
15 except that in the case of a failure to file a return required
16 by this Act, no notice of tax liability shall be issued on and
17 after each July 1 and January 1 covering tax due with that
18 return during any month or period more than 6 years before that
19 July 1 or January 1, respectively), 5a, 5b, 5c, 5d, 5e, 5f, 5g,
20 5h, 5j, 6d, 7, 8, 9, 10, 11, and 12 of the Retailers'
21 Occupation Tax Act and all of the provisions of the Uniform
22 Penalty and Interest Act, which are not inconsistent with this
23 Article, as fully as if those provisions were set forth herein.
24 References in the incorporated Sections of the Retailers'
25 Occupation Tax Act and the Use Tax Act to retailers, to
26 sellers, or to persons engaged in the business of selling

1 tangible personal property mean cannabis retailers when used in
2 this Article. References in the incorporated Sections to sales
3 of tangible personal property mean sales of cannabis subject to
4 tax under this Article when used in this Article.

5 Section 65-41. Arrest; search and seizure without warrant.
6 Any duly authorized employee of the Department: (i) may arrest
7 without warrant any person committing in his or her presence a
8 violation of any of the provisions of this Article; (ii) may
9 without a search warrant inspect all cannabis located in any
10 place of business; (iii) may seize any cannabis in the
11 possession of the retailer in violation of this Act; and (iv)
12 may seize any cannabis on which the tax imposed by Article 60
13 of this Act has not been paid. The cannabis so seized is
14 subject to confiscation and forfeiture as provided in Sections
15 65-42 and 65-43.

16 Section 65-42. Seizure and forfeiture. After seizing any
17 cannabis as provided in Section 65-41, the Department must hold
18 a hearing and determine whether the retailer was properly
19 registered to sell the cannabis at the time of its seizure by
20 the Department. The Department shall give not less than 20
21 days' notice of the time and place of the hearing to the owner
22 of the cannabis, if the owner is known, and also to the person
23 in whose possession the cannabis was found, if that person is
24 known and if the person in possession is not the owner of the

1 cannabis. If neither the owner nor the person in possession of
2 the cannabis is known, the Department must cause publication of
3 the time and place of the hearing to be made at least once in
4 each week for 3 weeks successively in a newspaper of general
5 circulation in the county where the hearing is to be held.

6 If, as the result of the hearing, the Department determines
7 that the retailer was not properly registered at the time the
8 cannabis was seized, the Department must enter an order
9 declaring the cannabis confiscated and forfeited to the State,
10 to be held by the Department for disposal by it as provided in
11 Section 65-43. The Department must give notice of the order to
12 the owner of the cannabis, if the owner is known, and also to
13 the person in whose possession the cannabis was found, if that
14 person is known and if the person in possession is not the
15 owner of the cannabis. If neither the owner nor the person in
16 possession of the cannabis is known, the Department must cause
17 publication of the order to be made at least once in each week
18 for 3 weeks successively in a newspaper of general circulation
19 in the county where the hearing was held.

20 Section 65-43. Search warrant; issuance and return;
21 process; confiscation of cannabis; forfeitures.

22 (a) If a peace officer of this State or any duly authorized
23 officer or employee of the Department has reason to believe
24 that any violation of this Article or a rule of the Department
25 for the administration and enforcement of this Article has

1 occurred and that the person violating this Article or rule has
2 in that person's possession any cannabis in violation of this
3 Article or a rule of the Department for the administration and
4 enforcement of this Article, that peace officer or officer or
5 employee of the Department may file or cause to be filed his or
6 her complaint in writing, verified by affidavit, with any court
7 within whose jurisdiction the premises to be searched are
8 situated, stating the facts upon which the belief is founded,
9 the premises to be searched, and the property to be seized, and
10 procure a search warrant and execute that warrant. Upon the
11 execution of the search warrant, the peace officer, or officer
12 or employee of the Department, executing the search warrant
13 shall make due return of the warrant to the court issuing the
14 warrant, together with an inventory of the property taken under
15 the warrant. The court must then issue process against the
16 owner of the property if the owner is known; otherwise, process
17 must be issued against the person in whose possession the
18 property is found, if that person is known. In case of
19 inability to serve process upon the owner or the person in
20 possession of the property at the time of its seizure, notice
21 of the proceedings before the court must be given in the same
22 manner as required by the law governing cases of attachment.
23 Upon the return of the process duly served or upon the posting
24 or publishing of notice made, as appropriate, the court or
25 jury, if a jury is demanded, shall proceed to determine whether
26 the property so seized was held or possessed in violation of

1 this Article or a rule of the Department for the administration
2 and enforcement of this Article. If a violation is found,
3 judgment shall be entered confiscating the property and
4 forfeiting it to the State and ordering its delivery to the
5 Department. In addition, the court may tax and assess the costs
6 of the proceedings.

7 (b) When any cannabis has been declared forfeited to the
8 State by the Department, as provided in Section 65-42 and this
9 Section, and when all proceedings for the judicial review of
10 the Department's decision have terminated, the Department
11 shall, to the extent that its decision is sustained on review,
12 destroy or maintain and use such cannabis in an undercover
13 capacity.

14 (c) The Department may, before any destruction of cannabis,
15 permit the true holder of trademark rights in the cannabis to
16 inspect such cannabis in order to assist the Department in any
17 investigation regarding such cannabis.

18 Section 65-45. Cannabis retailers; purchase and possession
19 of cannabis. Cannabis retailers shall purchase cannabis for
20 resale only from cannabis business establishments as
21 authorized by this Act.

22 Section 65-50. Rulemaking. The Department may adopt rules
23 in accordance with the Illinois Administrative Procedure Act
24 and prescribe forms relating to the administration and

1 enforcement of this Article as it deems appropriate.

2 ARTICLE 900.

3 AMENDATORY PROVISIONS

4 Section 900-5. The Illinois Administrative Procedure Act
5 is amended by changing Section 5-45 as follows:

6 (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

7 Sec. 5-45. Emergency rulemaking.

8 (a) "Emergency" means the existence of any situation that
9 any agency finds reasonably constitutes a threat to the public
10 interest, safety, or welfare.

11 (b) If any agency finds that an emergency exists that
12 requires adoption of a rule upon fewer days than is required by
13 Section 5-40 and states in writing its reasons for that
14 finding, the agency may adopt an emergency rule without prior
15 notice or hearing upon filing a notice of emergency rulemaking
16 with the Secretary of State under Section 5-70. The notice
17 shall include the text of the emergency rule and shall be
18 published in the Illinois Register. Consent orders or other
19 court orders adopting settlements negotiated by an agency may
20 be adopted under this Section. Subject to applicable
21 constitutional or statutory provisions, an emergency rule
22 becomes effective immediately upon filing under Section 5-65 or
23 at a stated date less than 10 days thereafter. The agency's

1 finding and a statement of the specific reasons for the finding
2 shall be filed with the rule. The agency shall take reasonable
3 and appropriate measures to make emergency rules known to the
4 persons who may be affected by them.

5 (c) An emergency rule may be effective for a period of not
6 longer than 150 days, but the agency's authority to adopt an
7 identical rule under Section 5-40 is not precluded. No
8 emergency rule may be adopted more than once in any 24-month
9 period, except that this limitation on the number of emergency
10 rules that may be adopted in a 24-month period does not apply
11 to (i) emergency rules that make additions to and deletions
12 from the Drug Manual under Section 5-5.16 of the Illinois
13 Public Aid Code or the generic drug formulary under Section
14 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii)
15 emergency rules adopted by the Pollution Control Board before
16 July 1, 1997 to implement portions of the Livestock Management
17 Facilities Act, (iii) emergency rules adopted by the Illinois
18 Department of Public Health under subsections (a) through (i)
19 of Section 2 of the Department of Public Health Act when
20 necessary to protect the public's health, (iv) emergency rules
21 adopted pursuant to subsection (n) of this Section, (v)
22 emergency rules adopted pursuant to subsection (o) of this
23 Section, or (vi) emergency rules adopted pursuant to subsection
24 (c-5) of this Section. Two or more emergency rules having
25 substantially the same purpose and effect shall be deemed to be
26 a single rule for purposes of this Section.

1 (c-5) To facilitate the maintenance of the program of group
2 health benefits provided to annuitants, survivors, and retired
3 employees under the State Employees Group Insurance Act of
4 1971, rules to alter the contributions to be paid by the State,
5 annuitants, survivors, retired employees, or any combination
6 of those entities, for that program of group health benefits,
7 shall be adopted as emergency rules. The adoption of those
8 rules shall be considered an emergency and necessary for the
9 public interest, safety, and welfare.

10 (d) In order to provide for the expeditious and timely
11 implementation of the State's fiscal year 1999 budget,
12 emergency rules to implement any provision of Public Act 90-587
13 or 90-588 or any other budget initiative for fiscal year 1999
14 may be adopted in accordance with this Section by the agency
15 charged with administering that provision or initiative,
16 except that the 24-month limitation on the adoption of
17 emergency rules and the provisions of Sections 5-115 and 5-125
18 do not apply to rules adopted under this subsection (d). The
19 adoption of emergency rules authorized by this subsection (d)
20 shall be deemed to be necessary for the public interest,
21 safety, and welfare.

22 (e) In order to provide for the expeditious and timely
23 implementation of the State's fiscal year 2000 budget,
24 emergency rules to implement any provision of Public Act 91-24
25 or any other budget initiative for fiscal year 2000 may be
26 adopted in accordance with this Section by the agency charged

1 with administering that provision or initiative, except that
2 the 24-month limitation on the adoption of emergency rules and
3 the provisions of Sections 5-115 and 5-125 do not apply to
4 rules adopted under this subsection (e). The adoption of
5 emergency rules authorized by this subsection (e) shall be
6 deemed to be necessary for the public interest, safety, and
7 welfare.

8 (f) In order to provide for the expeditious and timely
9 implementation of the State's fiscal year 2001 budget,
10 emergency rules to implement any provision of Public Act 91-712
11 or any other budget initiative for fiscal year 2001 may be
12 adopted in accordance with this Section by the agency charged
13 with administering that provision or initiative, except that
14 the 24-month limitation on the adoption of emergency rules and
15 the provisions of Sections 5-115 and 5-125 do not apply to
16 rules adopted under this subsection (f). The adoption of
17 emergency rules authorized by this subsection (f) shall be
18 deemed to be necessary for the public interest, safety, and
19 welfare.

20 (g) In order to provide for the expeditious and timely
21 implementation of the State's fiscal year 2002 budget,
22 emergency rules to implement any provision of Public Act 92-10
23 or any other budget initiative for fiscal year 2002 may be
24 adopted in accordance with this Section by the agency charged
25 with administering that provision or initiative, except that
26 the 24-month limitation on the adoption of emergency rules and

1 the provisions of Sections 5-115 and 5-125 do not apply to
2 rules adopted under this subsection (g). The adoption of
3 emergency rules authorized by this subsection (g) shall be
4 deemed to be necessary for the public interest, safety, and
5 welfare.

6 (h) In order to provide for the expeditious and timely
7 implementation of the State's fiscal year 2003 budget,
8 emergency rules to implement any provision of Public Act 92-597
9 or any other budget initiative for fiscal year 2003 may be
10 adopted in accordance with this Section by the agency charged
11 with administering that provision or initiative, except that
12 the 24-month limitation on the adoption of emergency rules and
13 the provisions of Sections 5-115 and 5-125 do not apply to
14 rules adopted under this subsection (h). The adoption of
15 emergency rules authorized by this subsection (h) shall be
16 deemed to be necessary for the public interest, safety, and
17 welfare.

18 (i) In order to provide for the expeditious and timely
19 implementation of the State's fiscal year 2004 budget,
20 emergency rules to implement any provision of Public Act 93-20
21 or any other budget initiative for fiscal year 2004 may be
22 adopted in accordance with this Section by the agency charged
23 with administering that provision or initiative, except that
24 the 24-month limitation on the adoption of emergency rules and
25 the provisions of Sections 5-115 and 5-125 do not apply to
26 rules adopted under this subsection (i). The adoption of

1 emergency rules authorized by this subsection (i) shall be
2 deemed to be necessary for the public interest, safety, and
3 welfare.

4 (j) In order to provide for the expeditious and timely
5 implementation of the provisions of the State's fiscal year
6 2005 budget as provided under the Fiscal Year 2005 Budget
7 Implementation (Human Services) Act, emergency rules to
8 implement any provision of the Fiscal Year 2005 Budget
9 Implementation (Human Services) Act may be adopted in
10 accordance with this Section by the agency charged with
11 administering that provision, except that the 24-month
12 limitation on the adoption of emergency rules and the
13 provisions of Sections 5-115 and 5-125 do not apply to rules
14 adopted under this subsection (j). The Department of Public Aid
15 may also adopt rules under this subsection (j) necessary to
16 administer the Illinois Public Aid Code and the Children's
17 Health Insurance Program Act. The adoption of emergency rules
18 authorized by this subsection (j) shall be deemed to be
19 necessary for the public interest, safety, and welfare.

20 (k) In order to provide for the expeditious and timely
21 implementation of the provisions of the State's fiscal year
22 2006 budget, emergency rules to implement any provision of
23 Public Act 94-48 or any other budget initiative for fiscal year
24 2006 may be adopted in accordance with this Section by the
25 agency charged with administering that provision or
26 initiative, except that the 24-month limitation on the adoption

1 of emergency rules and the provisions of Sections 5-115 and
2 5-125 do not apply to rules adopted under this subsection (k).
3 The Department of Healthcare and Family Services may also adopt
4 rules under this subsection (k) necessary to administer the
5 Illinois Public Aid Code, the Senior Citizens and Persons with
6 Disabilities Property Tax Relief Act, the Senior Citizens and
7 Disabled Persons Prescription Drug Discount Program Act (now
8 the Illinois Prescription Drug Discount Program Act), and the
9 Children's Health Insurance Program Act. The adoption of
10 emergency rules authorized by this subsection (k) shall be
11 deemed to be necessary for the public interest, safety, and
12 welfare.

13 (l) In order to provide for the expeditious and timely
14 implementation of the provisions of the State's fiscal year
15 2007 budget, the Department of Healthcare and Family Services
16 may adopt emergency rules during fiscal year 2007, including
17 rules effective July 1, 2007, in accordance with this
18 subsection to the extent necessary to administer the
19 Department's responsibilities with respect to amendments to
20 the State plans and Illinois waivers approved by the federal
21 Centers for Medicare and Medicaid Services necessitated by the
22 requirements of Title XIX and Title XXI of the federal Social
23 Security Act. The adoption of emergency rules authorized by
24 this subsection (l) shall be deemed to be necessary for the
25 public interest, safety, and welfare.

26 (m) In order to provide for the expeditious and timely

1 implementation of the provisions of the State's fiscal year
2 2008 budget, the Department of Healthcare and Family Services
3 may adopt emergency rules during fiscal year 2008, including
4 rules effective July 1, 2008, in accordance with this
5 subsection to the extent necessary to administer the
6 Department's responsibilities with respect to amendments to
7 the State plans and Illinois waivers approved by the federal
8 Centers for Medicare and Medicaid Services necessitated by the
9 requirements of Title XIX and Title XXI of the federal Social
10 Security Act. The adoption of emergency rules authorized by
11 this subsection (m) shall be deemed to be necessary for the
12 public interest, safety, and welfare.

13 (n) In order to provide for the expeditious and timely
14 implementation of the provisions of the State's fiscal year
15 2010 budget, emergency rules to implement any provision of
16 Public Act 96-45 or any other budget initiative authorized by
17 the 96th General Assembly for fiscal year 2010 may be adopted
18 in accordance with this Section by the agency charged with
19 administering that provision or initiative. The adoption of
20 emergency rules authorized by this subsection (n) shall be
21 deemed to be necessary for the public interest, safety, and
22 welfare. The rulemaking authority granted in this subsection
23 (n) shall apply only to rules promulgated during Fiscal Year
24 2010.

25 (o) In order to provide for the expeditious and timely
26 implementation of the provisions of the State's fiscal year

1 2011 budget, emergency rules to implement any provision of
2 Public Act 96-958 or any other budget initiative authorized by
3 the 96th General Assembly for fiscal year 2011 may be adopted
4 in accordance with this Section by the agency charged with
5 administering that provision or initiative. The adoption of
6 emergency rules authorized by this subsection (o) is deemed to
7 be necessary for the public interest, safety, and welfare. The
8 rulemaking authority granted in this subsection (o) applies
9 only to rules promulgated on or after July 1, 2010 (the
10 effective date of Public Act 96-958) through June 30, 2011.

11 (p) In order to provide for the expeditious and timely
12 implementation of the provisions of Public Act 97-689,
13 emergency rules to implement any provision of Public Act 97-689
14 may be adopted in accordance with this subsection (p) by the
15 agency charged with administering that provision or
16 initiative. The 150-day limitation of the effective period of
17 emergency rules does not apply to rules adopted under this
18 subsection (p), and the effective period may continue through
19 June 30, 2013. The 24-month limitation on the adoption of
20 emergency rules does not apply to rules adopted under this
21 subsection (p). The adoption of emergency rules authorized by
22 this subsection (p) is deemed to be necessary for the public
23 interest, safety, and welfare.

24 (q) In order to provide for the expeditious and timely
25 implementation of the provisions of Articles 7, 8, 9, 11, and
26 12 of Public Act 98-104, emergency rules to implement any

1 provision of Articles 7, 8, 9, 11, and 12 of Public Act 98-104
2 may be adopted in accordance with this subsection (q) by the
3 agency charged with administering that provision or
4 initiative. The 24-month limitation on the adoption of
5 emergency rules does not apply to rules adopted under this
6 subsection (q). The adoption of emergency rules authorized by
7 this subsection (q) is deemed to be necessary for the public
8 interest, safety, and welfare.

9 (r) In order to provide for the expeditious and timely
10 implementation of the provisions of Public Act 98-651,
11 emergency rules to implement Public Act 98-651 may be adopted
12 in accordance with this subsection (r) by the Department of
13 Healthcare and Family Services. The 24-month limitation on the
14 adoption of emergency rules does not apply to rules adopted
15 under this subsection (r). The adoption of emergency rules
16 authorized by this subsection (r) is deemed to be necessary for
17 the public interest, safety, and welfare.

18 (s) In order to provide for the expeditious and timely
19 implementation of the provisions of Sections 5-5b.1 and 5A-2 of
20 the Illinois Public Aid Code, emergency rules to implement any
21 provision of Section 5-5b.1 or Section 5A-2 of the Illinois
22 Public Aid Code may be adopted in accordance with this
23 subsection (s) by the Department of Healthcare and Family
24 Services. The rulemaking authority granted in this subsection
25 (s) shall apply only to those rules adopted prior to July 1,
26 2015. Notwithstanding any other provision of this Section, any

1 emergency rule adopted under this subsection (s) shall only
2 apply to payments made for State fiscal year 2015. The adoption
3 of emergency rules authorized by this subsection (s) is deemed
4 to be necessary for the public interest, safety, and welfare.

5 (t) In order to provide for the expeditious and timely
6 implementation of the provisions of Article II of Public Act
7 99-6, emergency rules to implement the changes made by Article
8 II of Public Act 99-6 to the Emergency Telephone System Act may
9 be adopted in accordance with this subsection (t) by the
10 Department of State Police. The rulemaking authority granted in
11 this subsection (t) shall apply only to those rules adopted
12 prior to July 1, 2016. The 24-month limitation on the adoption
13 of emergency rules does not apply to rules adopted under this
14 subsection (t). The adoption of emergency rules authorized by
15 this subsection (t) is deemed to be necessary for the public
16 interest, safety, and welfare.

17 (u) In order to provide for the expeditious and timely
18 implementation of the provisions of the Burn Victims Relief
19 Act, emergency rules to implement any provision of the Act may
20 be adopted in accordance with this subsection (u) by the
21 Department of Insurance. The rulemaking authority granted in
22 this subsection (u) shall apply only to those rules adopted
23 prior to December 31, 2015. The adoption of emergency rules
24 authorized by this subsection (u) is deemed to be necessary for
25 the public interest, safety, and welfare.

26 (v) In order to provide for the expeditious and timely

1 implementation of the provisions of Public Act 99-516,
2 emergency rules to implement Public Act 99-516 may be adopted
3 in accordance with this subsection (v) by the Department of
4 Healthcare and Family Services. The 24-month limitation on the
5 adoption of emergency rules does not apply to rules adopted
6 under this subsection (v). The adoption of emergency rules
7 authorized by this subsection (v) is deemed to be necessary for
8 the public interest, safety, and welfare.

9 (w) In order to provide for the expeditious and timely
10 implementation of the provisions of Public Act 99-796,
11 emergency rules to implement the changes made by Public Act
12 99-796 may be adopted in accordance with this subsection (w) by
13 the Adjutant General. The adoption of emergency rules
14 authorized by this subsection (w) is deemed to be necessary for
15 the public interest, safety, and welfare.

16 (x) In order to provide for the expeditious and timely
17 implementation of the provisions of Public Act 99-906,
18 emergency rules to implement subsection (i) of Section 16-115D,
19 subsection (g) of Section 16-128A, and subsection (a) of
20 Section 16-128B of the Public Utilities Act may be adopted in
21 accordance with this subsection (x) by the Illinois Commerce
22 Commission. The rulemaking authority granted in this
23 subsection (x) shall apply only to those rules adopted within
24 180 days after June 1, 2017 (the effective date of Public Act
25 99-906). The adoption of emergency rules authorized by this
26 subsection (x) is deemed to be necessary for the public

1 interest, safety, and welfare.

2 (y) In order to provide for the expeditious and timely
3 implementation of the provisions of Public Act 100-23,
4 emergency rules to implement the changes made by Public Act
5 100-23 to Section 4.02 of the Illinois Act on the Aging,
6 Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code,
7 Section 55-30 of the Alcoholism and Other Drug Abuse and
8 Dependency Act, and Sections 74 and 75 of the Mental Health and
9 Developmental Disabilities Administrative Act may be adopted
10 in accordance with this subsection (y) by the respective
11 Department. The adoption of emergency rules authorized by this
12 subsection (y) is deemed to be necessary for the public
13 interest, safety, and welfare.

14 (z) In order to provide for the expeditious and timely
15 implementation of the provisions of Public Act 100-554,
16 emergency rules to implement the changes made by Public Act
17 100-554 to Section 4.7 of the Lobbyist Registration Act may be
18 adopted in accordance with this subsection (z) by the Secretary
19 of State. The adoption of emergency rules authorized by this
20 subsection (z) is deemed to be necessary for the public
21 interest, safety, and welfare.

22 (aa) In order to provide for the expeditious and timely
23 initial implementation of the changes made to Articles 5, 5A,
24 12, and 14 of the Illinois Public Aid Code under the provisions
25 of Public Act 100-581, the Department of Healthcare and Family
26 Services may adopt emergency rules in accordance with this

1 subsection (aa). The 24-month limitation on the adoption of
2 emergency rules does not apply to rules to initially implement
3 the changes made to Articles 5, 5A, 12, and 14 of the Illinois
4 Public Aid Code adopted under this subsection (aa). The
5 adoption of emergency rules authorized by this subsection (aa)
6 is deemed to be necessary for the public interest, safety, and
7 welfare.

8 (bb) In order to provide for the expeditious and timely
9 implementation of the provisions of Public Act 100-587,
10 emergency rules to implement the changes made by Public Act
11 100-587 to Section 4.02 of the Illinois Act on the Aging,
12 Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code,
13 subsection (b) of Section 55-30 of the Alcoholism and Other
14 Drug Abuse and Dependency Act, Section 5-104 of the Specialized
15 Mental Health Rehabilitation Act of 2013, and Section 75 and
16 subsection (b) of Section 74 of the Mental Health and
17 Developmental Disabilities Administrative Act may be adopted
18 in accordance with this subsection (bb) by the respective
19 Department. The adoption of emergency rules authorized by this
20 subsection (bb) is deemed to be necessary for the public
21 interest, safety, and welfare.

22 (cc) In order to provide for the expeditious and timely
23 implementation of the provisions of Public Act 100-587,
24 emergency rules may be adopted in accordance with this
25 subsection (cc) to implement the changes made by Public Act
26 100-587 to: Sections 14-147.5 and 14-147.6 of the Illinois

1 Pension Code by the Board created under Article 14 of the Code;
2 Sections 15-185.5 and 15-185.6 of the Illinois Pension Code by
3 the Board created under Article 15 of the Code; and Sections
4 16-190.5 and 16-190.6 of the Illinois Pension Code by the Board
5 created under Article 16 of the Code. The adoption of emergency
6 rules authorized by this subsection (cc) is deemed to be
7 necessary for the public interest, safety, and welfare.

8 (dd) In order to provide for the expeditious and timely
9 implementation of the provisions of Public Act 100-864,
10 emergency rules to implement the changes made by Public Act
11 100-864 to Section 3.35 of the Newborn Metabolic Screening Act
12 may be adopted in accordance with this subsection (dd) by the
13 Secretary of State. The adoption of emergency rules authorized
14 by this subsection (dd) is deemed to be necessary for the
15 public interest, safety, and welfare.

16 (ee) In order to provide for the expeditious and timely
17 implementation of the provisions of this amendatory Act of the
18 100th General Assembly, emergency rules implementing the
19 Illinois Underground Natural Gas Storage Safety Act may be
20 adopted in accordance with this subsection by the Department of
21 Natural Resources. The adoption of emergency rules authorized
22 by this subsection is deemed to be necessary for the public
23 interest, safety, and welfare.

24 (ff) In order to provide for the expeditious and timely
25 implementation of the provisions of this amendatory Act of the
26 101st General Assembly, emergency rules may be adopted by the

1 Department of Labor in accordance with this subsection (ff) to
2 implement the changes made by this amendatory Act of the 101st
3 General Assembly to the Minimum Wage Law. The adoption of
4 emergency rules authorized by this subsection (ff) is deemed to
5 be necessary for the public interest, safety, and welfare.

6 (gg) In order to provide for the expeditious and timely
7 implementation of the Cannabis Regulation and Tax Act and this
8 amendatory Act of the 101st General Assembly, the Department of
9 Revenue, the Department of Public Health, the Department of
10 Agriculture, the Department of State Police, and the Department
11 of Financial and Professional Regulation may adopt emergency
12 rules in accordance with this subsection (gg). The rulemaking
13 authority granted in this subsection (gg) shall apply only to
14 rules adopted before December 31, 2021. Notwithstanding the
15 provisions of subsection (c), emergency rules adopted under
16 this subsection (gg) shall be effective for 180 days. The
17 adoption of emergency rules authorized by this subsection (gg)
18 is deemed to be necessary for the public interest, safety, and
19 welfare.

20 (Source: P.A. 100-23, eff. 7-6-17; 100-554, eff. 11-16-17;
21 100-581, eff. 3-12-18; 100-587, Article 95, Section 95-5, eff.
22 6-4-18; 100-587, Article 110, Section 110-5, eff. 6-4-18;
23 100-864, eff. 8-14-18; 100-1172, eff. 1-4-19; 101-1, eff.
24 2-19-19.)

25 Section 900-8. The Freedom of Information Act is amended by

1 changing Section 7.5 as follows:

2 (5 ILCS 140/7.5)

3 Sec. 7.5. Statutory exemptions. To the extent provided for
4 by the statutes referenced below, the following shall be exempt
5 from inspection and copying:

6 (a) All information determined to be confidential
7 under Section 4002 of the Technology Advancement and
8 Development Act.

9 (b) Library circulation and order records identifying
10 library users with specific materials under the Library
11 Records Confidentiality Act.

12 (c) Applications, related documents, and medical
13 records received by the Experimental Organ Transplantation
14 Procedures Board and any and all documents or other records
15 prepared by the Experimental Organ Transplantation
16 Procedures Board or its staff relating to applications it
17 has received.

18 (d) Information and records held by the Department of
19 Public Health and its authorized representatives relating
20 to known or suspected cases of sexually transmissible
21 disease or any information the disclosure of which is
22 restricted under the Illinois Sexually Transmissible
23 Disease Control Act.

24 (e) Information the disclosure of which is exempted
25 under Section 30 of the Radon Industry Licensing Act.

1 (f) Firm performance evaluations under Section 55 of
2 the Architectural, Engineering, and Land Surveying
3 Qualifications Based Selection Act.

4 (g) Information the disclosure of which is restricted
5 and exempted under Section 50 of the Illinois Prepaid
6 Tuition Act.

7 (h) Information the disclosure of which is exempted
8 under the State Officials and Employees Ethics Act, and
9 records of any lawfully created State or local inspector
10 general's office that would be exempt if created or
11 obtained by an Executive Inspector General's office under
12 that Act.

13 (i) Information contained in a local emergency energy
14 plan submitted to a municipality in accordance with a local
15 emergency energy plan ordinance that is adopted under
16 Section 11-21.5-5 of the Illinois Municipal Code.

17 (j) Information and data concerning the distribution
18 of surcharge moneys collected and remitted by carriers
19 under the Emergency Telephone System Act.

20 (k) Law enforcement officer identification information
21 or driver identification information compiled by a law
22 enforcement agency or the Department of Transportation
23 under Section 11-212 of the Illinois Vehicle Code.

24 (l) Records and information provided to a residential
25 health care facility resident sexual assault and death
26 review team or the Executive Council under the Abuse

1 Prevention Review Team Act.

2 (m) Information provided to the predatory lending
3 database created pursuant to Article 3 of the Residential
4 Real Property Disclosure Act, except to the extent
5 authorized under that Article.

6 (n) Defense budgets and petitions for certification of
7 compensation and expenses for court appointed trial
8 counsel as provided under Sections 10 and 15 of the Capital
9 Crimes Litigation Act. This subsection (n) shall apply
10 until the conclusion of the trial of the case, even if the
11 prosecution chooses not to pursue the death penalty prior
12 to trial or sentencing.

13 (o) Information that is prohibited from being
14 disclosed under Section 4 of the Illinois Health and
15 Hazardous Substances Registry Act.

16 (p) Security portions of system safety program plans,
17 investigation reports, surveys, schedules, lists, data, or
18 information compiled, collected, or prepared by or for the
19 Regional Transportation Authority under Section 2.11 of
20 the Regional Transportation Authority Act or the St. Clair
21 County Transit District under the Bi-State Transit Safety
22 Act.

23 (q) Information prohibited from being disclosed by the
24 Personnel ~~Record~~ Records Review Act.

25 (r) Information prohibited from being disclosed by the
26 Illinois School Student Records Act.

1 (s) Information the disclosure of which is restricted
2 under Section 5-108 of the Public Utilities Act.

3 (t) All identified or deidentified health information
4 in the form of health data or medical records contained in,
5 stored in, submitted to, transferred by, or released from
6 the Illinois Health Information Exchange, and identified
7 or deidentified health information in the form of health
8 data and medical records of the Illinois Health Information
9 Exchange in the possession of the Illinois Health
10 Information Exchange Authority due to its administration
11 of the Illinois Health Information Exchange. The terms
12 "identified" and "deidentified" shall be given the same
13 meaning as in the Health Insurance Portability and
14 Accountability Act of 1996, Public Law 104-191, or any
15 subsequent amendments thereto, and any regulations
16 promulgated thereunder.

17 (u) Records and information provided to an independent
18 team of experts under the Developmental Disability and
19 Mental Health Safety Act (also known as Brian's Law).

20 (v) Names and information of people who have applied
21 for or received Firearm Owner's Identification Cards under
22 the Firearm Owners Identification Card Act or applied for
23 or received a concealed carry license under the Firearm
24 Concealed Carry Act, unless otherwise authorized by the
25 Firearm Concealed Carry Act; and databases under the
26 Firearm Concealed Carry Act, records of the Concealed Carry

1 Licensing Review Board under the Firearm Concealed Carry
2 Act, and law enforcement agency objections under the
3 Firearm Concealed Carry Act.

4 (w) Personally identifiable information which is
5 exempted from disclosure under subsection (g) of Section
6 19.1 of the Toll Highway Act.

7 (x) Information which is exempted from disclosure
8 under Section 5-1014.3 of the Counties Code or Section
9 8-11-21 of the Illinois Municipal Code.

10 (y) Confidential information under the Adult
11 Protective Services Act and its predecessor enabling
12 statute, the Elder Abuse and Neglect Act, including
13 information about the identity and administrative finding
14 against any caregiver of a verified and substantiated
15 decision of abuse, neglect, or financial exploitation of an
16 eligible adult maintained in the Registry established
17 under Section 7.5 of the Adult Protective Services Act.

18 (z) Records and information provided to a fatality
19 review team or the Illinois Fatality Review Team Advisory
20 Council under Section 15 of the Adult Protective Services
21 Act.

22 (aa) Information which is exempted from disclosure
23 under Section 2.37 of the Wildlife Code.

24 (bb) Information which is or was prohibited from
25 disclosure by the Juvenile Court Act of 1987.

26 (cc) Recordings made under the Law Enforcement

1 Officer-Worn Body Camera Act, except to the extent
2 authorized under that Act.

3 (dd) Information that is prohibited from being
4 disclosed under Section 45 of the Condominium and Common
5 Interest Community Ombudsperson Act.

6 (ee) Information that is exempted from disclosure
7 under Section 30.1 of the Pharmacy Practice Act.

8 (ff) Information that is exempted from disclosure
9 under the Revised Uniform Unclaimed Property Act.

10 (gg) Information that is prohibited from being
11 disclosed under Section 7-603.5 of the Illinois Vehicle
12 Code.

13 (hh) Records that are exempt from disclosure under
14 Section 1A-16.7 of the Election Code.

15 (ii) Information which is exempted from disclosure
16 under Section 2505-800 of the Department of Revenue Law of
17 the Civil Administrative Code of Illinois.

18 (jj) Information and reports that are required to be
19 submitted to the Department of Labor by registering day and
20 temporary labor service agencies but are exempt from
21 disclosure under subsection (a-1) of Section 45 of the Day
22 and Temporary Labor Services Act.

23 (kk) Information prohibited from disclosure under the
24 Seizure and Forfeiture Reporting Act.

25 (ll) Information the disclosure of which is restricted
26 and exempted under Section 5-30.8 of the Illinois Public

1 Aid Code.

2 (mm) ~~(ll)~~ Records that are exempt from disclosure under
3 Section 4.2 of the Crime Victims Compensation Act.

4 (nn) ~~(ll)~~ Information that is exempt from disclosure
5 under Section 70 of the Higher Education Student Assistance
6 Act.

7 (oo) Information that is exempt from disclosure under
8 the Cannabis Regulation and Tax Act.

9 (Source: P.A. 99-78, eff. 7-20-15; 99-298, eff. 8-6-15; 99-352,
10 eff. 1-1-16; 99-642, eff. 7-28-16; 99-776, eff. 8-12-16;
11 99-863, eff. 8-19-16; 100-20, eff. 7-1-17; 100-22, eff. 1-1-18;
12 100-201, eff. 8-18-17; 100-373, eff. 1-1-18; 100-464, eff.
13 8-28-17; 100-465, eff. 8-31-17; 100-512, eff. 7-1-18; 100-517,
14 eff. 6-1-18; 100-646, eff. 7-27-18; 100-690, eff. 1-1-19;
15 100-863, eff. 8-14-18; 100-887, eff. 8-14-18; revised
16 10-12-18.)

17 Section 900-10. The Department of Revenue Law of the Civil
18 Administrative Code of Illinois is amended by changing Section
19 2505-210 as follows:

20 (20 ILCS 2505/2505-210) (was 20 ILCS 2505/39c-1)

21 Sec. 2505-210. Electronic funds transfer.

22 (a) The Department may provide means by which persons
23 having a tax liability under any Act administered by the
24 Department may use electronic funds transfer to pay the tax

1 liability.

2 (b) Mandatory payment by electronic funds transfer. Except
3 as otherwise provided in a tax Act administered by the
4 Department Beginning on October 1, 2002, and through September
5 30, 2010, a taxpayer who has an annual tax liability of
6 \$200,000 or more shall make all payments of that tax to the
7 Department by electronic funds transfer. Beginning October 1,
8 ~~2010~~, a taxpayer (other than an individual taxpayer) who has an
9 annual tax liability of \$20,000 or more and an individual
10 taxpayer who has an annual tax liability of \$200,000 or more
11 shall make all payments of that tax to the Department by
12 electronic funds transfer. Before August 1 of each year,
13 beginning in 2002, the Department shall notify all taxpayers
14 required to make payments by electronic funds transfer. All
15 taxpayers required to make payments by electronic funds
16 transfer shall make those payments for a minimum of one year
17 beginning on October 1. For purposes of this subsection (b),
18 the term "annual tax liability" means, except as provided in
19 subsections (c) and (d) of this Section, the sum of the
20 taxpayer's liabilities under a tax Act administered by the
21 Department for the immediately preceding calendar year.

22 (c) For purposes of subsection (b), the term "annual tax
23 liability" means, for a taxpayer that incurs a tax liability
24 under the Retailers' Occupation Tax Act, Service Occupation Tax
25 Act, Use Tax Act, Service Use Tax Act, or any other State or
26 local occupation or use tax law that is administered by the

1 Department, the sum of the taxpayer's liabilities under the
2 Retailers' Occupation Tax Act, Service Occupation Tax Act, Use
3 Tax Act, Service Use Tax Act, and all other State and local
4 occupation and use tax laws administered by the Department for
5 the immediately preceding calendar year.

6 (d) For purposes of subsection (b), the term "annual tax
7 liability" means, for a taxpayer that incurs an Illinois income
8 tax liability, the greater of:

9 (1) the amount of the taxpayer's tax liability under
10 Article 7 of the Illinois Income Tax Act for the
11 immediately preceding calendar year; or

12 (2) the taxpayer's estimated tax payment obligation
13 under Article 8 of the Illinois Income Tax Act for the
14 immediately preceding calendar year.

15 (e) The Department shall adopt such rules as are necessary
16 to effectuate a program of electronic funds transfer and the
17 requirements of this Section.

18 (Source: P.A. 100-1171, eff. 1-4-19.)

19 Section 900-12. The Criminal Identification Act is amended
20 by changing Section 5.2 as follows:

21 (20 ILCS 2630/5.2)

22 Sec. 5.2. Expungement, sealing, and immediate sealing.

23 (a) General Provisions.

24 (1) Definitions. In this Act, words and phrases have

1 the meanings set forth in this subsection, except when a
2 particular context clearly requires a different meaning.

3 (A) The following terms shall have the meanings
4 ascribed to them in the Unified Code of Corrections,
5 730 ILCS 5/5-1-2 through 5/5-1-22:

- 6 (i) Business Offense (730 ILCS 5/5-1-2),
- 7 (ii) Charge (730 ILCS 5/5-1-3),
- 8 (iii) Court (730 ILCS 5/5-1-6),
- 9 (iv) Defendant (730 ILCS 5/5-1-7),
- 10 (v) Felony (730 ILCS 5/5-1-9),
- 11 (vi) Imprisonment (730 ILCS 5/5-1-10),
- 12 (vii) Judgment (730 ILCS 5/5-1-12),
- 13 (viii) Misdemeanor (730 ILCS 5/5-1-14),
- 14 (ix) Offense (730 ILCS 5/5-1-15),
- 15 (x) Parole (730 ILCS 5/5-1-16),
- 16 (xi) Petty Offense (730 ILCS 5/5-1-17),
- 17 (xii) Probation (730 ILCS 5/5-1-18),
- 18 (xiii) Sentence (730 ILCS 5/5-1-19),
- 19 (xiv) Supervision (730 ILCS 5/5-1-21), and
- 20 (xv) Victim (730 ILCS 5/5-1-22).

21 (B) As used in this Section, "charge not initiated
22 by arrest" means a charge (as defined by 730 ILCS
23 5/5-1-3) brought against a defendant where the
24 defendant is not arrested prior to or as a direct
25 result of the charge.

26 (C) "Conviction" means a judgment of conviction or

1 sentence entered upon a plea of guilty or upon a
2 verdict or finding of guilty of an offense, rendered by
3 a legally constituted jury or by a court of competent
4 jurisdiction authorized to try the case without a jury.
5 An order of supervision successfully completed by the
6 petitioner is not a conviction. An order of qualified
7 probation (as defined in subsection (a)(1)(J))
8 successfully completed by the petitioner is not a
9 conviction. An order of supervision or an order of
10 qualified probation that is terminated
11 unsatisfactorily is a conviction, unless the
12 unsatisfactory termination is reversed, vacated, or
13 modified and the judgment of conviction, if any, is
14 reversed or vacated.

15 (D) "Criminal offense" means a petty offense,
16 business offense, misdemeanor, felony, or municipal
17 ordinance violation (as defined in subsection
18 (a)(1)(H)). As used in this Section, a minor traffic
19 offense (as defined in subsection (a)(1)(G)) shall not
20 be considered a criminal offense.

21 (E) "Expunge" means to physically destroy the
22 records or return them to the petitioner and to
23 obliterate the petitioner's name from any official
24 index or public record, or both. Nothing in this Act
25 shall require the physical destruction of the circuit
26 court file, but such records relating to arrests or

1 charges, or both, ordered expunged shall be impounded
2 as required by subsections (d)(9)(A)(ii) and
3 (d)(9)(B)(ii).

4 (F) As used in this Section, "last sentence" means
5 the sentence, order of supervision, or order of
6 qualified probation (as defined by subsection
7 (a)(1)(J)), for a criminal offense (as defined by
8 subsection (a)(1)(D)) that terminates last in time in
9 any jurisdiction, regardless of whether the petitioner
10 has included the criminal offense for which the
11 sentence or order of supervision or qualified
12 probation was imposed in his or her petition. If
13 multiple sentences, orders of supervision, or orders
14 of qualified probation terminate on the same day and
15 are last in time, they shall be collectively considered
16 the "last sentence" regardless of whether they were
17 ordered to run concurrently.

18 (G) "Minor traffic offense" means a petty offense,
19 business offense, or Class C misdemeanor under the
20 Illinois Vehicle Code or a similar provision of a
21 municipal or local ordinance.

22 (G-5) "Minor Cannabis Offense" means a violation
23 of Section 4 or 5 of the Cannabis Control Act
24 concerning not more than 30 grams of any substance
25 containing cannabis, provided the violation did not
26 include a penalty enhancement under Section 7 of the

1 Cannabis Control Act and is not associated with an
2 arrest, conviction or other disposition for a violent
3 crime as defined in subsection (c) of Section 3 of the
4 Rights of Crime Victims and Witnesses Act.

5 (H) "Municipal ordinance violation" means an
6 offense defined by a municipal or local ordinance that
7 is criminal in nature and with which the petitioner was
8 charged or for which the petitioner was arrested and
9 released without charging.

10 (I) "Petitioner" means an adult or a minor
11 prosecuted as an adult who has applied for relief under
12 this Section.

13 (J) "Qualified probation" means an order of
14 probation under Section 10 of the Cannabis Control Act,
15 Section 410 of the Illinois Controlled Substances Act,
16 Section 70 of the Methamphetamine Control and
17 Community Protection Act, Section 5-6-3.3 or 5-6-3.4
18 of the Unified Code of Corrections, Section
19 12-4.3(b) (1) and (2) of the Criminal Code of 1961 (as
20 those provisions existed before their deletion by
21 Public Act 89-313), Section 10-102 of the Illinois
22 Alcoholism and Other Drug Dependency Act, Section
23 40-10 of the Substance Use Disorder Act, or Section 10
24 of the Steroid Control Act. For the purpose of this
25 Section, "successful completion" of an order of
26 qualified probation under Section 10-102 of the

1 Illinois Alcoholism and Other Drug Dependency Act and
2 Section 40-10 of the Substance Use Disorder Act means
3 that the probation was terminated satisfactorily and
4 the judgment of conviction was vacated.

5 (K) "Seal" means to physically and electronically
6 maintain the records, unless the records would
7 otherwise be destroyed due to age, but to make the
8 records unavailable without a court order, subject to
9 the exceptions in Sections 12 and 13 of this Act. The
10 petitioner's name shall also be obliterated from the
11 official index required to be kept by the circuit court
12 clerk under Section 16 of the Clerks of Courts Act, but
13 any index issued by the circuit court clerk before the
14 entry of the order to seal shall not be affected.

15 (L) "Sexual offense committed against a minor"
16 includes but is not limited to the offenses of indecent
17 solicitation of a child or criminal sexual abuse when
18 the victim of such offense is under 18 years of age.

19 (M) "Terminate" as it relates to a sentence or
20 order of supervision or qualified probation includes
21 either satisfactory or unsatisfactory termination of
22 the sentence, unless otherwise specified in this
23 Section. A sentence is terminated notwithstanding any
24 outstanding financial legal obligation.

25 (2) Minor Traffic Offenses. Orders of supervision or
26 convictions for minor traffic offenses shall not affect a

1 petitioner's eligibility to expunge or seal records
2 pursuant to this Section.

3 (2.5) Commencing 180 days after July 29, 2016 (the
4 effective date of Public Act 99-697), the law enforcement
5 agency issuing the citation shall automatically expunge,
6 on or before January 1 and July 1 of each year, the law
7 enforcement records of a person found to have committed a
8 civil law violation of subsection (a) of Section 4 of the
9 Cannabis Control Act or subsection (c) of Section 3.5 of
10 the Drug Paraphernalia Control Act in the law enforcement
11 agency's possession or control and which contains the final
12 satisfactory disposition which pertain to the person
13 issued a citation for that offense. The law enforcement
14 agency shall provide by rule the process for access,
15 review, and to confirm the automatic expungement by the law
16 enforcement agency issuing the citation. Commencing 180
17 days after July 29, 2016 (the effective date of Public Act
18 99-697), the clerk of the circuit court shall expunge, upon
19 order of the court, or in the absence of a court order on
20 or before January 1 and July 1 of each year, the court
21 records of a person found in the circuit court to have
22 committed a civil law violation of subsection (a) of
23 Section 4 of the Cannabis Control Act or subsection (c) of
24 Section 3.5 of the Drug Paraphernalia Control Act in the
25 clerk's possession or control and which contains the final
26 satisfactory disposition which pertain to the person

1 issued a citation for any of those offenses.

2 (3) Exclusions. Except as otherwise provided in
3 subsections (b) (5), (b) (6), (b) (8), (e), (e-5), and (e-6)
4 of this Section, the court shall not order:

5 (A) the sealing or expungement of the records of
6 arrests or charges not initiated by arrest that result
7 in an order of supervision for or conviction of: (i)
8 any sexual offense committed against a minor; (ii)
9 Section 11-501 of the Illinois Vehicle Code or a
10 similar provision of a local ordinance; or (iii)
11 Section 11-503 of the Illinois Vehicle Code or a
12 similar provision of a local ordinance, unless the
13 arrest or charge is for a misdemeanor violation of
14 subsection (a) of Section 11-503 or a similar provision
15 of a local ordinance, that occurred prior to the
16 offender reaching the age of 25 years and the offender
17 has no other conviction for violating Section 11-501 or
18 11-503 of the Illinois Vehicle Code or a similar
19 provision of a local ordinance.

20 (B) the sealing or expungement of records of minor
21 traffic offenses (as defined in subsection (a) (1) (G)),
22 unless the petitioner was arrested and released
23 without charging.

24 (C) the sealing of the records of arrests or
25 charges not initiated by arrest which result in an
26 order of supervision or a conviction for the following

1 offenses:

2 (i) offenses included in Article 11 of the
3 Criminal Code of 1961 or the Criminal Code of 2012
4 or a similar provision of a local ordinance, except
5 Section 11-14 and a misdemeanor violation of
6 Section 11-30 of the Criminal Code of 1961 or the
7 Criminal Code of 2012, or a similar provision of a
8 local ordinance;

9 (ii) Section 11-1.50, 12-3.4, 12-15, 12-30,
10 26-5, or 48-1 of the Criminal Code of 1961 or the
11 Criminal Code of 2012, or a similar provision of a
12 local ordinance;

13 (iii) Sections 12-3.1 or 12-3.2 of the
14 Criminal Code of 1961 or the Criminal Code of 2012,
15 or Section 125 of the Stalking No Contact Order
16 Act, or Section 219 of the Civil No Contact Order
17 Act, or a similar provision of a local ordinance;

18 (iv) Class A misdemeanors or felony offenses
19 under the Humane Care for Animals Act; or

20 (v) any offense or attempted offense that
21 would subject a person to registration under the
22 Sex Offender Registration Act.

23 (D) (blank).

24 (b) Expungement.

25 (1) A petitioner may petition the circuit court to
26 expunge the records of his or her arrests and charges not

1 initiated by arrest when each arrest or charge not
2 initiated by arrest sought to be expunged resulted in: (i)
3 acquittal, dismissal, or the petitioner's release without
4 charging, unless excluded by subsection (a)(3)(B); (ii) a
5 conviction which was vacated or reversed, unless excluded
6 by subsection (a)(3)(B); (iii) an order of supervision and
7 such supervision was successfully completed by the
8 petitioner, unless excluded by subsection (a)(3)(A) or
9 (a)(3)(B); or (iv) an order of qualified probation (as
10 defined in subsection (a)(1)(J)) and such probation was
11 successfully completed by the petitioner.

12 (1.5) When a petitioner seeks to have a record of
13 arrest expunged under this Section, and the offender has
14 been convicted of a criminal offense, the State's Attorney
15 may object to the expungement on the grounds that the
16 records contain specific relevant information aside from
17 the mere fact of the arrest.

18 (2) Time frame for filing a petition to expunge.

19 (A) When the arrest or charge not initiated by
20 arrest sought to be expunged resulted in an acquittal,
21 dismissal, the petitioner's release without charging,
22 or the reversal or vacation of a conviction, there is
23 no waiting period to petition for the expungement of
24 such records.

25 (B) When the arrest or charge not initiated by
26 arrest sought to be expunged resulted in an order of

1 supervision, successfully completed by the petitioner,
2 the following time frames will apply:

3 (i) Those arrests or charges that resulted in
4 orders of supervision under Section 3-707, 3-708,
5 3-710, or 5-401.3 of the Illinois Vehicle Code or a
6 similar provision of a local ordinance, or under
7 Section 11-1.50, 12-3.2, or 12-15 of the Criminal
8 Code of 1961 or the Criminal Code of 2012, or a
9 similar provision of a local ordinance, shall not
10 be eligible for expungement until 5 years have
11 passed following the satisfactory termination of
12 the supervision.

13 (i-5) Those arrests or charges that resulted
14 in orders of supervision for a misdemeanor
15 violation of subsection (a) of Section 11-503 of
16 the Illinois Vehicle Code or a similar provision of
17 a local ordinance, that occurred prior to the
18 offender reaching the age of 25 years and the
19 offender has no other conviction for violating
20 Section 11-501 or 11-503 of the Illinois Vehicle
21 Code or a similar provision of a local ordinance
22 shall not be eligible for expungement until the
23 petitioner has reached the age of 25 years.

24 (ii) Those arrests or charges that resulted in
25 orders of supervision for any other offenses shall
26 not be eligible for expungement until 2 years have

1 passed following the satisfactory termination of
2 the supervision.

3 (C) When the arrest or charge not initiated by
4 arrest sought to be expunged resulted in an order of
5 qualified probation, successfully completed by the
6 petitioner, such records shall not be eligible for
7 expungement until 5 years have passed following the
8 satisfactory termination of the probation.

9 (3) Those records maintained by the Department for
10 persons arrested prior to their 17th birthday shall be
11 expunged as provided in Section 5-915 of the Juvenile Court
12 Act of 1987.

13 (4) Whenever a person has been arrested for or
14 convicted of any offense, in the name of a person whose
15 identity he or she has stolen or otherwise come into
16 possession of, the aggrieved person from whom the identity
17 was stolen or otherwise obtained without authorization,
18 upon learning of the person having been arrested using his
19 or her identity, may, upon verified petition to the chief
20 judge of the circuit wherein the arrest was made, have a
21 court order entered nunc pro tunc by the Chief Judge to
22 correct the arrest record, conviction record, if any, and
23 all official records of the arresting authority, the
24 Department, other criminal justice agencies, the
25 prosecutor, and the trial court concerning such arrest, if
26 any, by removing his or her name from all such records in

1 connection with the arrest and conviction, if any, and by
2 inserting in the records the name of the offender, if known
3 or ascertainable, in lieu of the aggrieved's name. The
4 records of the circuit court clerk shall be sealed until
5 further order of the court upon good cause shown and the
6 name of the aggrieved person obliterated on the official
7 index required to be kept by the circuit court clerk under
8 Section 16 of the Clerks of Courts Act, but the order shall
9 not affect any index issued by the circuit court clerk
10 before the entry of the order. Nothing in this Section
11 shall limit the Department of State Police or other
12 criminal justice agencies or prosecutors from listing
13 under an offender's name the false names he or she has
14 used.

15 (5) Whenever a person has been convicted of criminal
16 sexual assault, aggravated criminal sexual assault,
17 predatory criminal sexual assault of a child, criminal
18 sexual abuse, or aggravated criminal sexual abuse, the
19 victim of that offense may request that the State's
20 Attorney of the county in which the conviction occurred
21 file a verified petition with the presiding trial judge at
22 the petitioner's trial to have a court order entered to
23 seal the records of the circuit court clerk in connection
24 with the proceedings of the trial court concerning that
25 offense. However, the records of the arresting authority
26 and the Department of State Police concerning the offense

1 shall not be sealed. The court, upon good cause shown,
2 shall make the records of the circuit court clerk in
3 connection with the proceedings of the trial court
4 concerning the offense available for public inspection.

5 (6) If a conviction has been set aside on direct review
6 or on collateral attack and the court determines by clear
7 and convincing evidence that the petitioner was factually
8 innocent of the charge, the court that finds the petitioner
9 factually innocent of the charge shall enter an expungement
10 order for the conviction for which the petitioner has been
11 determined to be innocent as provided in subsection (b) of
12 Section 5-5-4 of the Unified Code of Corrections.

13 (7) Nothing in this Section shall prevent the
14 Department of State Police from maintaining all records of
15 any person who is admitted to probation upon terms and
16 conditions and who fulfills those terms and conditions
17 pursuant to Section 10 of the Cannabis Control Act, Section
18 410 of the Illinois Controlled Substances Act, Section 70
19 of the Methamphetamine Control and Community Protection
20 Act, Section 5-6-3.3 or 5-6-3.4 of the Unified Code of
21 Corrections, Section 12-4.3 or subdivision (b)(1) of
22 Section 12-3.05 of the Criminal Code of 1961 or the
23 Criminal Code of 2012, Section 10-102 of the Illinois
24 Alcoholism and Other Drug Dependency Act, Section 40-10 of
25 the Substance Use Disorder Act, or Section 10 of the
26 Steroid Control Act.

1 (8) If the petitioner has been granted a certificate of
2 innocence under Section 2-702 of the Code of Civil
3 Procedure, the court that grants the certificate of
4 innocence shall also enter an order expunging the
5 conviction for which the petitioner has been determined to
6 be innocent as provided in subsection (h) of Section 2-702
7 of the Code of Civil Procedure.

8 (c) Sealing.

9 (1) Applicability. Notwithstanding any other provision
10 of this Act to the contrary, and cumulative with any rights
11 to expungement of criminal records, this subsection
12 authorizes the sealing of criminal records of adults and of
13 minors prosecuted as adults. Subsection (g) of this Section
14 provides for immediate sealing of certain records.

15 (2) Eligible Records. The following records may be
16 sealed:

17 (A) All arrests resulting in release without
18 charging;

19 (B) Arrests or charges not initiated by arrest
20 resulting in acquittal, dismissal, or conviction when
21 the conviction was reversed or vacated, except as
22 excluded by subsection (a) (3) (B);

23 (C) Arrests or charges not initiated by arrest
24 resulting in orders of supervision, including orders
25 of supervision for municipal ordinance violations,
26 successfully completed by the petitioner, unless

1 excluded by subsection (a) (3);

2 (D) Arrests or charges not initiated by arrest
3 resulting in convictions, including convictions on
4 municipal ordinance violations, unless excluded by
5 subsection (a) (3);

6 (E) Arrests or charges not initiated by arrest
7 resulting in orders of first offender probation under
8 Section 10 of the Cannabis Control Act, Section 410 of
9 the Illinois Controlled Substances Act, Section 70 of
10 the Methamphetamine Control and Community Protection
11 Act, or Section 5-6-3.3 of the Unified Code of
12 Corrections; and

13 (F) Arrests or charges not initiated by arrest
14 resulting in felony convictions unless otherwise
15 excluded by subsection (a) paragraph (3) of this
16 Section.

17 (3) When Records Are Eligible to Be Sealed. Records
18 identified as eligible under subsection (c) (2) may be
19 sealed as follows:

20 (A) Records identified as eligible under
21 subsection (c) (2) (A) and (c) (2) (B) may be sealed at any
22 time.

23 (B) Except as otherwise provided in subparagraph
24 (E) of this paragraph (3), records identified as
25 eligible under subsection (c) (2) (C) may be sealed 2
26 years after the termination of petitioner's last

1 sentence (as defined in subsection (a) (1) (F)).

2 (C) Except as otherwise provided in subparagraph
3 (E) of this paragraph (3), records identified as
4 eligible under subsections (c) (2) (D), (c) (2) (E), and
5 (c) (2) (F) may be sealed 3 years after the termination
6 of the petitioner's last sentence (as defined in
7 subsection (a) (1) (F)). Convictions requiring public
8 registration under the Arsonist Registration Act, the
9 Sex Offender Registration Act, or the Murderer and
10 Violent Offender Against Youth Registration Act may
11 not be sealed until the petitioner is no longer
12 required to register under that relevant Act.

13 (D) Records identified in subsection
14 (a) (3) (A) (iii) may be sealed after the petitioner has
15 reached the age of 25 years.

16 (E) Records identified as eligible under
17 subsections (c) (2) (C), (c) (2) (D), (c) (2) (E), or
18 (c) (2) (F) may be sealed upon termination of the
19 petitioner's last sentence if the petitioner earned a
20 high school diploma, associate's degree, career
21 certificate, vocational technical certification, or
22 bachelor's degree, or passed the high school level Test
23 of General Educational Development, during the period
24 of his or her sentence, aftercare release, or mandatory
25 supervised release. This subparagraph shall apply only
26 to a petitioner who has not completed the same

1 educational goal prior to the period of his or her
2 sentence, aftercare release, or mandatory supervised
3 release. If a petition for sealing eligible records
4 filed under this subparagraph is denied by the court,
5 the time periods under subparagraph (B) or (C) shall
6 apply to any subsequent petition for sealing filed by
7 the petitioner.

8 (4) Subsequent felony convictions. A person may not
9 have subsequent felony conviction records sealed as
10 provided in this subsection (c) if he or she is convicted
11 of any felony offense after the date of the sealing of
12 prior felony convictions as provided in this subsection
13 (c). The court may, upon conviction for a subsequent felony
14 offense, order the unsealing of prior felony conviction
15 records previously ordered sealed by the court.

16 (5) Notice of eligibility for sealing. Upon entry of a
17 disposition for an eligible record under this subsection
18 (c), the petitioner shall be informed by the court of the
19 right to have the records sealed and the procedures for the
20 sealing of the records.

21 (d) Procedure. The following procedures apply to
22 expungement under subsections (b), (e), and (e-6) and sealing
23 under subsections (c) and (e-5):

24 (1) Filing the petition. Upon becoming eligible to
25 petition for the expungement or sealing of records under
26 this Section, the petitioner shall file a petition

1 requesting the expungement or sealing of records with the
2 clerk of the court where the arrests occurred or the
3 charges were brought, or both. If arrests occurred or
4 charges were brought in multiple jurisdictions, a petition
5 must be filed in each such jurisdiction. The petitioner
6 shall pay the applicable fee, except no fee shall be
7 required if the petitioner has obtained a court order
8 waiving fees under Supreme Court Rule 298 or it is
9 otherwise waived.

10 (1.5) County fee waiver pilot program. In a county of
11 3,000,000 or more inhabitants, no fee shall be required to
12 be paid by a petitioner if the records sought to be
13 expunged or sealed were arrests resulting in release
14 without charging or arrests or charges not initiated by
15 arrest resulting in acquittal, dismissal, or conviction
16 when the conviction was reversed or vacated, unless
17 excluded by subsection (a) (3) (B). The provisions of this
18 paragraph (1.5), other than this sentence, are inoperative
19 on and after January 1, 2019.

20 (2) Contents of petition. The petition shall be
21 verified and shall contain the petitioner's name, date of
22 birth, current address and, for each arrest or charge not
23 initiated by arrest sought to be sealed or expunged, the
24 case number, the date of arrest (if any), the identity of
25 the arresting authority, and such other information as the
26 court may require. During the pendency of the proceeding,

1 the petitioner shall promptly notify the circuit court
2 clerk of any change of his or her address. If the
3 petitioner has received a certificate of eligibility for
4 sealing from the Prisoner Review Board under paragraph (10)
5 of subsection (a) of Section 3-3-2 of the Unified Code of
6 Corrections, the certificate shall be attached to the
7 petition.

8 (3) Drug test. The petitioner must attach to the
9 petition proof that the petitioner has passed a test taken
10 within 30 days before the filing of the petition showing
11 the absence within his or her body of all illegal
12 substances as defined by the Illinois Controlled
13 Substances Act, the Methamphetamine Control and Community
14 Protection Act, and the Cannabis Control Act if he or she
15 is petitioning to:

16 (A) seal felony records under clause (c) (2) (E);

17 (B) seal felony records for a violation of the
18 Illinois Controlled Substances Act, the
19 Methamphetamine Control and Community Protection Act,
20 or the Cannabis Control Act under clause (c) (2) (F);

21 (C) seal felony records under subsection (e-5); or

22 (D) expunge felony records of a qualified
23 probation under clause (b) (1) (iv).

24 (4) Service of petition. The circuit court clerk shall
25 promptly serve a copy of the petition and documentation to
26 support the petition under subsection (e-5) or (e-6) on the

1 State's Attorney or prosecutor charged with the duty of
2 prosecuting the offense, the Department of State Police,
3 the arresting agency and the chief legal officer of the
4 unit of local government effecting the arrest.

5 (5) Objections.

6 (A) Any party entitled to notice of the petition
7 may file an objection to the petition. All objections
8 shall be in writing, shall be filed with the circuit
9 court clerk, and shall state with specificity the basis
10 of the objection. Whenever a person who has been
11 convicted of an offense is granted a pardon by the
12 Governor which specifically authorizes expungement, an
13 objection to the petition may not be filed.

14 (B) Objections to a petition to expunge or seal
15 must be filed within 60 days of the date of service of
16 the petition.

17 (6) Entry of order.

18 (A) The Chief Judge of the circuit wherein the
19 charge was brought, any judge of that circuit
20 designated by the Chief Judge, or in counties of less
21 than 3,000,000 inhabitants, the presiding trial judge
22 at the petitioner's trial, if any, shall rule on the
23 petition to expunge or seal as set forth in this
24 subsection (d) (6).

25 (B) Unless the State's Attorney or prosecutor, the
26 Department of State Police, the arresting agency, or

1 the chief legal officer files an objection to the
2 petition to expunge or seal within 60 days from the
3 date of service of the petition, the court shall enter
4 an order granting or denying the petition.

5 (C) Notwithstanding any other provision of law,
6 the court shall not deny a petition for sealing under
7 this Section because the petitioner has not satisfied
8 an outstanding legal financial obligation established,
9 imposed, or originated by a court, law enforcement
10 agency, or a municipal, State, county, or other unit of
11 local government, including, but not limited to, any
12 cost, assessment, fine, or fee. An outstanding legal
13 financial obligation does not include any court
14 ordered restitution to a victim under Section 5-5-6 of
15 the Unified Code of Corrections, unless the
16 restitution has been converted to a civil judgment.
17 Nothing in this subparagraph (C) waives, rescinds, or
18 abrogates a legal financial obligation or otherwise
19 eliminates or affects the right of the holder of any
20 financial obligation to pursue collection under
21 applicable federal, State, or local law.

22 (7) Hearings. If an objection is filed, the court shall
23 set a date for a hearing and notify the petitioner and all
24 parties entitled to notice of the petition of the hearing
25 date at least 30 days prior to the hearing. Prior to the
26 hearing, the State's Attorney shall consult with the

1 Department as to the appropriateness of the relief sought
2 in the petition to expunge or seal. At the hearing, the
3 court shall hear evidence on whether the petition should or
4 should not be granted, and shall grant or deny the petition
5 to expunge or seal the records based on the evidence
6 presented at the hearing. The court may consider the
7 following:

8 (A) the strength of the evidence supporting the
9 defendant's conviction;

10 (B) the reasons for retention of the conviction
11 records by the State;

12 (C) the petitioner's age, criminal record history,
13 and employment history;

14 (D) the period of time between the petitioner's
15 arrest on the charge resulting in the conviction and
16 the filing of the petition under this Section; and

17 (E) the specific adverse consequences the
18 petitioner may be subject to if the petition is denied.

19 (8) Service of order. After entering an order to
20 expunge or seal records, the court must provide copies of
21 the order to the Department, in a form and manner
22 prescribed by the Department, to the petitioner, to the
23 State's Attorney or prosecutor charged with the duty of
24 prosecuting the offense, to the arresting agency, to the
25 chief legal officer of the unit of local government
26 effecting the arrest, and to such other criminal justice

1 agencies as may be ordered by the court.

2 (9) Implementation of order.

3 (A) Upon entry of an order to expunge records
4 pursuant to (b) (2) (A) or (b) (2) (B) (ii), or both:

5 (i) the records shall be expunged (as defined
6 in subsection (a) (1) (E)) by the arresting agency,
7 the Department, and any other agency as ordered by
8 the court, within 60 days of the date of service of
9 the order, unless a motion to vacate, modify, or
10 reconsider the order is filed pursuant to
11 paragraph (12) of subsection (d) of this Section;

12 (ii) the records of the circuit court clerk
13 shall be impounded until further order of the court
14 upon good cause shown and the name of the
15 petitioner obliterated on the official index
16 required to be kept by the circuit court clerk
17 under Section 16 of the Clerks of Courts Act, but
18 the order shall not affect any index issued by the
19 circuit court clerk before the entry of the order;
20 and

21 (iii) in response to an inquiry for expunged
22 records, the court, the Department, or the agency
23 receiving such inquiry, shall reply as it does in
24 response to inquiries when no records ever
25 existed.

26 (B) Upon entry of an order to expunge records

1 pursuant to (b) (2) (B) (i) or (b) (2) (C), or both:

2 (i) the records shall be expunged (as defined
3 in subsection (a) (1) (E)) by the arresting agency
4 and any other agency as ordered by the court,
5 within 60 days of the date of service of the order,
6 unless a motion to vacate, modify, or reconsider
7 the order is filed pursuant to paragraph (12) of
8 subsection (d) of this Section;

9 (ii) the records of the circuit court clerk
10 shall be impounded until further order of the court
11 upon good cause shown and the name of the
12 petitioner obliterated on the official index
13 required to be kept by the circuit court clerk
14 under Section 16 of the Clerks of Courts Act, but
15 the order shall not affect any index issued by the
16 circuit court clerk before the entry of the order;

17 (iii) the records shall be impounded by the
18 Department within 60 days of the date of service of
19 the order as ordered by the court, unless a motion
20 to vacate, modify, or reconsider the order is filed
21 pursuant to paragraph (12) of subsection (d) of
22 this Section;

23 (iv) records impounded by the Department may
24 be disseminated by the Department only as required
25 by law or to the arresting authority, the State's
26 Attorney, and the court upon a later arrest for the

1 same or a similar offense or for the purpose of
2 sentencing for any subsequent felony, and to the
3 Department of Corrections upon conviction for any
4 offense; and

5 (v) in response to an inquiry for such records
6 from anyone not authorized by law to access such
7 records, the court, the Department, or the agency
8 receiving such inquiry shall reply as it does in
9 response to inquiries when no records ever
10 existed.

11 (B-5) Upon entry of an order to expunge records
12 under subsection (e-6):

13 (i) the records shall be expunged (as defined
14 in subsection (a)(1)(E)) by the arresting agency
15 and any other agency as ordered by the court,
16 within 60 days of the date of service of the order,
17 unless a motion to vacate, modify, or reconsider
18 the order is filed under paragraph (12) of
19 subsection (d) of this Section;

20 (ii) the records of the circuit court clerk
21 shall be impounded until further order of the court
22 upon good cause shown and the name of the
23 petitioner obliterated on the official index
24 required to be kept by the circuit court clerk
25 under Section 16 of the Clerks of Courts Act, but
26 the order shall not affect any index issued by the

1 circuit court clerk before the entry of the order;

2 (iii) the records shall be impounded by the
3 Department within 60 days of the date of service of
4 the order as ordered by the court, unless a motion
5 to vacate, modify, or reconsider the order is filed
6 under paragraph (12) of subsection (d) of this
7 Section;

8 (iv) records impounded by the Department may
9 be disseminated by the Department only as required
10 by law or to the arresting authority, the State's
11 Attorney, and the court upon a later arrest for the
12 same or a similar offense or for the purpose of
13 sentencing for any subsequent felony, and to the
14 Department of Corrections upon conviction for any
15 offense; and

16 (v) in response to an inquiry for these records
17 from anyone not authorized by law to access the
18 records, the court, the Department, or the agency
19 receiving the inquiry shall reply as it does in
20 response to inquiries when no records ever
21 existed.

22 (C) Upon entry of an order to seal records under
23 subsection (c), the arresting agency, any other agency
24 as ordered by the court, the Department, and the court
25 shall seal the records (as defined in subsection
26 (a) (1) (K)). In response to an inquiry for such records,

1 from anyone not authorized by law to access such
2 records, the court, the Department, or the agency
3 receiving such inquiry shall reply as it does in
4 response to inquiries when no records ever existed.

5 (D) The Department shall send written notice to the
6 petitioner of its compliance with each order to expunge
7 or seal records within 60 days of the date of service
8 of that order or, if a motion to vacate, modify, or
9 reconsider is filed, within 60 days of service of the
10 order resolving the motion, if that order requires the
11 Department to expunge or seal records. In the event of
12 an appeal from the circuit court order, the Department
13 shall send written notice to the petitioner of its
14 compliance with an Appellate Court or Supreme Court
15 judgment to expunge or seal records within 60 days of
16 the issuance of the court's mandate. The notice is not
17 required while any motion to vacate, modify, or
18 reconsider, or any appeal or petition for
19 discretionary appellate review, is pending.

20 (E) Upon motion, the court may order that a sealed
21 judgment or other court record necessary to
22 demonstrate the amount of any legal financial
23 obligation due and owing be made available for the
24 limited purpose of collecting any legal financial
25 obligations owed by the petitioner that were
26 established, imposed, or originated in the criminal

1 proceeding for which those records have been sealed.
2 The records made available under this subparagraph (E)
3 shall not be entered into the official index required
4 to be kept by the circuit court clerk under Section 16
5 of the Clerks of Courts Act and shall be immediately
6 re-impounded upon the collection of the outstanding
7 financial obligations.

8 (F) Notwithstanding any other provision of this
9 Section, a circuit court clerk may access a sealed
10 record for the limited purpose of collecting payment
11 for any legal financial obligations that were
12 established, imposed, or originated in the criminal
13 proceedings for which those records have been sealed.

14 (10) Fees. The Department may charge the petitioner a
15 fee equivalent to the cost of processing any order to
16 expunge or seal records. Notwithstanding any provision of
17 the Clerks of Courts Act to the contrary, the circuit court
18 clerk may charge a fee equivalent to the cost associated
19 with the sealing or expungement of records by the circuit
20 court clerk. From the total filing fee collected for the
21 petition to seal or expunge, the circuit court clerk shall
22 deposit \$10 into the Circuit Court Clerk Operation and
23 Administrative Fund, to be used to offset the costs
24 incurred by the circuit court clerk in performing the
25 additional duties required to serve the petition to seal or
26 expunge on all parties. The circuit court clerk shall

1 collect and forward the Department of State Police portion
2 of the fee to the Department and it shall be deposited in
3 the State Police Services Fund. If the record brought under
4 an expungement petition was previously sealed under this
5 Section, the fee for the expungement petition for that same
6 record shall be waived.

7 (11) Final Order. No court order issued under the
8 expungement or sealing provisions of this Section shall
9 become final for purposes of appeal until 30 days after
10 service of the order on the petitioner and all parties
11 entitled to notice of the petition.

12 (12) Motion to Vacate, Modify, or Reconsider. Under
13 Section 2-1203 of the Code of Civil Procedure, the
14 petitioner or any party entitled to notice may file a
15 motion to vacate, modify, or reconsider the order granting
16 or denying the petition to expunge or seal within 60 days
17 of service of the order. If filed more than 60 days after
18 service of the order, a petition to vacate, modify, or
19 reconsider shall comply with subsection (c) of Section
20 2-1401 of the Code of Civil Procedure. Upon filing of a
21 motion to vacate, modify, or reconsider, notice of the
22 motion shall be served upon the petitioner and all parties
23 entitled to notice of the petition.

24 (13) Effect of Order. An order granting a petition
25 under the expungement or sealing provisions of this Section
26 shall not be considered void because it fails to comply

1 with the provisions of this Section or because of any error
2 asserted in a motion to vacate, modify, or reconsider. The
3 circuit court retains jurisdiction to determine whether
4 the order is voidable and to vacate, modify, or reconsider
5 its terms based on a motion filed under paragraph (12) of
6 this subsection (d).

7 (14) Compliance with Order Granting Petition to Seal
8 Records. Unless a court has entered a stay of an order
9 granting a petition to seal, all parties entitled to notice
10 of the petition must fully comply with the terms of the
11 order within 60 days of service of the order even if a
12 party is seeking relief from the order through a motion
13 filed under paragraph (12) of this subsection (d) or is
14 appealing the order.

15 (15) Compliance with Order Granting Petition to
16 Expunge Records. While a party is seeking relief from the
17 order granting the petition to expunge through a motion
18 filed under paragraph (12) of this subsection (d) or is
19 appealing the order, and unless a court has entered a stay
20 of that order, the parties entitled to notice of the
21 petition must seal, but need not expunge, the records until
22 there is a final order on the motion for relief or, in the
23 case of an appeal, the issuance of that court's mandate.

24 (16) The changes to this subsection (d) made by Public
25 Act 98-163 apply to all petitions pending on August 5, 2013
26 (the effective date of Public Act 98-163) and to all orders

1 ruling on a petition to expunge or seal on or after August
2 5, 2013 (the effective date of Public Act 98-163).

3 (e) Whenever a person who has been convicted of an offense
4 is granted a pardon by the Governor which specifically
5 authorizes expungement, he or she may, upon verified petition
6 to the Chief Judge of the circuit where the person had been
7 convicted, any judge of the circuit designated by the Chief
8 Judge, or in counties of less than 3,000,000 inhabitants, the
9 presiding trial judge at the defendant's trial, have a court
10 order entered expunging the record of arrest from the official
11 records of the arresting authority and order that the records
12 of the circuit court clerk and the Department be sealed until
13 further order of the court upon good cause shown or as
14 otherwise provided herein, and the name of the defendant
15 obliterated from the official index requested to be kept by the
16 circuit court clerk under Section 16 of the Clerks of Courts
17 Act in connection with the arrest and conviction for the
18 offense for which he or she had been pardoned but the order
19 shall not affect any index issued by the circuit court clerk
20 before the entry of the order. All records sealed by the
21 Department may be disseminated by the Department only to the
22 arresting authority, the State's Attorney, and the court upon a
23 later arrest for the same or similar offense or for the purpose
24 of sentencing for any subsequent felony. Upon conviction for
25 any subsequent offense, the Department of Corrections shall
26 have access to all sealed records of the Department pertaining

1 to that individual. Upon entry of the order of expungement, the
2 circuit court clerk shall promptly mail a copy of the order to
3 the person who was pardoned.

4 (e-5) Whenever a person who has been convicted of an
5 offense is granted a certificate of eligibility for sealing by
6 the Prisoner Review Board which specifically authorizes
7 sealing, he or she may, upon verified petition to the Chief
8 Judge of the circuit where the person had been convicted, any
9 judge of the circuit designated by the Chief Judge, or in
10 counties of less than 3,000,000 inhabitants, the presiding
11 trial judge at the petitioner's trial, have a court order
12 entered sealing the record of arrest from the official records
13 of the arresting authority and order that the records of the
14 circuit court clerk and the Department be sealed until further
15 order of the court upon good cause shown or as otherwise
16 provided herein, and the name of the petitioner obliterated
17 from the official index requested to be kept by the circuit
18 court clerk under Section 16 of the Clerks of Courts Act in
19 connection with the arrest and conviction for the offense for
20 which he or she had been granted the certificate but the order
21 shall not affect any index issued by the circuit court clerk
22 before the entry of the order. All records sealed by the
23 Department may be disseminated by the Department only as
24 required by this Act or to the arresting authority, a law
25 enforcement agency, the State's Attorney, and the court upon a
26 later arrest for the same or similar offense or for the purpose

1 of sentencing for any subsequent felony. Upon conviction for
2 any subsequent offense, the Department of Corrections shall
3 have access to all sealed records of the Department pertaining
4 to that individual. Upon entry of the order of sealing, the
5 circuit court clerk shall promptly mail a copy of the order to
6 the person who was granted the certificate of eligibility for
7 sealing.

8 (e-6) Whenever a person who has been convicted of an
9 offense is granted a certificate of eligibility for expungement
10 by the Prisoner Review Board which specifically authorizes
11 expungement, he or she may, upon verified petition to the Chief
12 Judge of the circuit where the person had been convicted, any
13 judge of the circuit designated by the Chief Judge, or in
14 counties of less than 3,000,000 inhabitants, the presiding
15 trial judge at the petitioner's trial, have a court order
16 entered expunging the record of arrest from the official
17 records of the arresting authority and order that the records
18 of the circuit court clerk and the Department be sealed until
19 further order of the court upon good cause shown or as
20 otherwise provided herein, and the name of the petitioner
21 obliterated from the official index requested to be kept by the
22 circuit court clerk under Section 16 of the Clerks of Courts
23 Act in connection with the arrest and conviction for the
24 offense for which he or she had been granted the certificate
25 but the order shall not affect any index issued by the circuit
26 court clerk before the entry of the order. All records sealed

1 by the Department may be disseminated by the Department only as
2 required by this Act or to the arresting authority, a law
3 enforcement agency, the State's Attorney, and the court upon a
4 later arrest for the same or similar offense or for the purpose
5 of sentencing for any subsequent felony. Upon conviction for
6 any subsequent offense, the Department of Corrections shall
7 have access to all expunged records of the Department
8 pertaining to that individual. Upon entry of the order of
9 expungement, the circuit court clerk shall promptly mail a copy
10 of the order to the person who was granted the certificate of
11 eligibility for expungement.

12 (f) Subject to available funding, the Illinois Department
13 of Corrections shall conduct a study of the impact of sealing,
14 especially on employment and recidivism rates, utilizing a
15 random sample of those who apply for the sealing of their
16 criminal records under Public Act 93-211. At the request of the
17 Illinois Department of Corrections, records of the Illinois
18 Department of Employment Security shall be utilized as
19 appropriate to assist in the study. The study shall not
20 disclose any data in a manner that would allow the
21 identification of any particular individual or employing unit.
22 The study shall be made available to the General Assembly no
23 later than September 1, 2010.

24 (g) Immediate Sealing.

25 (1) Applicability. Notwithstanding any other provision
26 of this Act to the contrary, and cumulative with any rights

1 to expungement or sealing of criminal records, this
2 subsection authorizes the immediate sealing of criminal
3 records of adults and of minors prosecuted as adults.

4 (2) Eligible Records. Arrests or charges not initiated
5 by arrest resulting in acquittal or dismissal with
6 prejudice, except as excluded by subsection (a)(3)(B),
7 that occur on or after January 1, 2018 (the effective date
8 of Public Act 100-282), may be sealed immediately if the
9 petition is filed with the circuit court clerk on the same
10 day and during the same hearing in which the case is
11 disposed.

12 (3) When Records are Eligible to be Immediately Sealed.
13 Eligible records under paragraph (2) of this subsection (g)
14 may be sealed immediately after entry of the final
15 disposition of a case, notwithstanding the disposition of
16 other charges in the same case.

17 (4) Notice of Eligibility for Immediate Sealing. Upon
18 entry of a disposition for an eligible record under this
19 subsection (g), the defendant shall be informed by the
20 court of his or her right to have eligible records
21 immediately sealed and the procedure for the immediate
22 sealing of these records.

23 (5) Procedure. The following procedures apply to
24 immediate sealing under this subsection (g).

25 (A) Filing the Petition. Upon entry of the final
26 disposition of the case, the defendant's attorney may

1 immediately petition the court, on behalf of the
2 defendant, for immediate sealing of eligible records
3 under paragraph (2) of this subsection (g) that are
4 entered on or after January 1, 2018 (the effective date
5 of Public Act 100-282). The immediate sealing petition
6 may be filed with the circuit court clerk during the
7 hearing in which the final disposition of the case is
8 entered. If the defendant's attorney does not file the
9 petition for immediate sealing during the hearing, the
10 defendant may file a petition for sealing at any time
11 as authorized under subsection (c) (3) (A).

12 (B) Contents of Petition. The immediate sealing
13 petition shall be verified and shall contain the
14 petitioner's name, date of birth, current address, and
15 for each eligible record, the case number, the date of
16 arrest if applicable, the identity of the arresting
17 authority if applicable, and other information as the
18 court may require.

19 (C) Drug Test. The petitioner shall not be required
20 to attach proof that he or she has passed a drug test.

21 (D) Service of Petition. A copy of the petition
22 shall be served on the State's Attorney in open court.
23 The petitioner shall not be required to serve a copy of
24 the petition on any other agency.

25 (E) Entry of Order. The presiding trial judge shall
26 enter an order granting or denying the petition for

1 immediate sealing during the hearing in which it is
2 filed. Petitions for immediate sealing shall be ruled
3 on in the same hearing in which the final disposition
4 of the case is entered.

5 (F) Hearings. The court shall hear the petition for
6 immediate sealing on the same day and during the same
7 hearing in which the disposition is rendered.

8 (G) Service of Order. An order to immediately seal
9 eligible records shall be served in conformance with
10 subsection (d) (8).

11 (H) Implementation of Order. An order to
12 immediately seal records shall be implemented in
13 conformance with subsections (d) (9) (C) and (d) (9) (D).

14 (I) Fees. The fee imposed by the circuit court
15 clerk and the Department of State Police shall comply
16 with paragraph (1) of subsection (d) of this Section.

17 (J) Final Order. No court order issued under this
18 subsection (g) shall become final for purposes of
19 appeal until 30 days after service of the order on the
20 petitioner and all parties entitled to service of the
21 order in conformance with subsection (d) (8).

22 (K) Motion to Vacate, Modify, or Reconsider. Under
23 Section 2-1203 of the Code of Civil Procedure, the
24 petitioner, State's Attorney, or the Department of
25 State Police may file a motion to vacate, modify, or
26 reconsider the order denying the petition to

1 immediately seal within 60 days of service of the
2 order. If filed more than 60 days after service of the
3 order, a petition to vacate, modify, or reconsider
4 shall comply with subsection (c) of Section 2-1401 of
5 the Code of Civil Procedure.

6 (L) Effect of Order. An order granting an immediate
7 sealing petition shall not be considered void because
8 it fails to comply with the provisions of this Section
9 or because of an error asserted in a motion to vacate,
10 modify, or reconsider. The circuit court retains
11 jurisdiction to determine whether the order is
12 voidable, and to vacate, modify, or reconsider its
13 terms based on a motion filed under subparagraph (L) of
14 this subsection (g).

15 (M) Compliance with Order Granting Petition to
16 Seal Records. Unless a court has entered a stay of an
17 order granting a petition to immediately seal, all
18 parties entitled to service of the order must fully
19 comply with the terms of the order within 60 days of
20 service of the order.

21 (h) Sealing; trafficking victims.

22 (1) A trafficking victim as defined by paragraph (10)
23 of subsection (a) of Section 10-9 of the Criminal Code of
24 2012 shall be eligible to petition for immediate sealing of
25 his or her criminal record upon the completion of his or
26 her last sentence if his or her participation in the

1 underlying offense was a direct result of human trafficking
2 under Section 10-9 of the Criminal Code of 2012 or a severe
3 form of trafficking under the federal Trafficking Victims
4 Protection Act.

5 (2) A petitioner under this subsection (h), in addition
6 to the requirements provided under paragraph (4) of
7 subsection (d) of this Section, shall include in his or her
8 petition a clear and concise statement that: (A) he or she
9 was a victim of human trafficking at the time of the
10 offense; and (B) that his or her participation in the
11 offense was a direct result of human trafficking under
12 Section 10-9 of the Criminal Code of 2012 or a severe form
13 of trafficking under the federal Trafficking Victims
14 Protection Act.

15 (3) If an objection is filed alleging that the
16 petitioner is not entitled to immediate sealing under this
17 subsection (h), the court shall conduct a hearing under
18 paragraph (7) of subsection (d) of this Section and the
19 court shall determine whether the petitioner is entitled to
20 immediate sealing under this subsection (h). A petitioner
21 is eligible for immediate relief under this subsection (h)
22 if he or she shows, by a preponderance of the evidence,
23 that: (A) he or she was a victim of human trafficking at
24 the time of the offense; and (B) that his or her
25 participation in the offense was a direct result of human
26 trafficking under Section 10-9 of the Criminal Code of 2012

1 or a severe form of trafficking under the federal
2 Trafficking Victims Protection Act.

3 (i) Minor Cannabis Offenses under the Cannabis Control Act.

4 (1) Expungement of Arrest Records of Minor Cannabis
5 Offenses.

6 (A) The Department of State Police and all law
7 enforcement agencies within the State shall
8 automatically expunge all criminal history records of
9 an arrest, charge not initiated by arrest, order of
10 supervision, or order of qualified probation for a
11 Minor Cannabis Offense committed prior to the
12 effective date of this amendatory Act of the 101st
13 General Assembly if:

14 (i) One year or more has elapsed since the date
15 of the arrest or law enforcement interaction
16 documented in the records; and

17 (ii) No criminal charges were filed relating
18 to the arrest or law enforcement interaction or
19 criminal charges were filed and subsequently
20 dismissed or vacated or the arrestee was
21 acquitted.

22 (B) If the law enforcement agency is unable to
23 verify satisfaction of condition (ii) in paragraph
24 (A), records that satisfy condition (i) in paragraph
25 (A) shall be automatically expunged.

26 (C) Records shall be expunged pursuant to the

1 procedures set forth in subdivision (d)(9)(A) under
2 the following timelines:

3 (i) Records created prior to the effective
4 date of this amendatory Act of the 101st General
5 Assembly, but on or after January 1, 2013, shall be
6 automatically expunged prior to January 1, 2021;

7 (ii) Records created prior to January 1, 2013,
8 but on or after January 1, 2000, shall be
9 automatically expunged prior to January 1, 2023;

10 (iii) Records created prior to January 1, 2000
11 shall be automatically expunged prior to January
12 1, 2025.

13 (D) Nothing in this Section shall be construed to
14 restrict or modify an individual's right to have that
15 individual's records expunged except as otherwise may
16 be provided in this Act, or diminish or abrogate any
17 rights or remedies otherwise available to the
18 individual.

19 (2) Pardons Authorizing Expungement of Minor Cannabis
20 Offenses.

21 (A) Upon the effective date of this amendatory Act
22 of the 101st General Assembly, the Department of State
23 Police shall review all criminal history record
24 information and identify all records that meet all of
25 the following criteria:

26 (i) one or more convictions for a Minor

1 Cannabis Offense;

2 (ii) the conviction identified in paragraph
3 (2)(A)(i) did not include a penalty enhancement
4 under Section 7 of the Cannabis Control Act; and

5 (iii) The conviction identified in paragraph
6 (2)(A)(i) is not associated with an arrest,
7 conviction or other disposition for a violent
8 crime as defined in subsection (c) of Section 3 of
9 the Rights of Crime Victims and Witnesses Act.

10 (B) Within 180 days after the effective date of
11 this amendatory Act of the 101st General Assembly, the
12 Department of State Police shall notify the Prisoner
13 Review Board of all such records that meet the criteria
14 established in paragraph (2)(A).

15 (i) The Prisoner Review Board shall notify the
16 State's Attorney of the county of conviction of
17 each record identified by State Police in
18 paragraph (2)(A) that is classified as a Class 4
19 felony. The State's Attorney may provide a written
20 objection to the Prisoner Review Board on the sole
21 basis that the record identified does not meet the
22 criteria established in paragraph (2)(A). Such an
23 objection must be filed within 60 days or by such
24 later date set by Prisoner Review Board in the
25 notice after the State's Attorney received notice
26 from the Prisoner Review Board.

1 (ii) In response to a written objection from a
2 State's Attorney, the Prisoner Review Board is
3 authorized to conduct a non-public hearing to
4 evaluate the information provided in the
5 objection.

6 (iii) The Prisoner Review Board shall make a
7 confidential and privileged recommendation to the
8 Governor as to whether to grant a pardon
9 authorizing expungement for each of the records
10 identified by the Department of State Police as
11 described in paragraph (2) (A).

12 (C) If an individual has been granted a pardon
13 authorizing expungement as described in this Section,
14 the Prisoner Review Board, through the Attorney
15 General, shall file a petition for expungement with the
16 Chief Judge of the circuit or any judge of the circuit
17 designated by the Chief Judge where the individual had
18 been convicted. Such petition may include more than one
19 individual. Whenever an individual who has been
20 convicted of an offense is granted a pardon by the
21 Governor that specifically authorizes expungement, an
22 objection to the petition may not be filed. Petitions
23 to expunge under this subsection (i) may include more
24 than one individual. Within 90 days of the filing of
25 such a petition, the court shall enter an order
26 expunging the records of arrest from the official

1 records of the arresting authority and order that the
2 records of the circuit court clerk and the Department
3 of State Police be expunged and the name of the
4 defendant obliterated from the official index
5 requested to be kept by the circuit court clerk under
6 Section 16 of the Clerks of Courts Act in connection
7 with the arrest and conviction for the offense for
8 which the individual had received a pardon but the
9 order shall not affect any index issued by the circuit
10 court clerk before the entry of the order. Upon entry
11 of the order of expungement, the circuit court clerk
12 shall promptly provide a copy of the order to the
13 individual who was pardoned to the individual's last
14 known address or otherwise make available to the
15 individual upon request.

16 (D) Nothing in this Section is intended to diminish
17 or abrogate any rights or remedies otherwise available
18 to the individual.

19 (3) Any individual may file a motion to vacate and
20 expunge a conviction for a misdemeanor or Class 4 felony
21 violation of Section 4 or Section 5 of the Cannabis Control
22 Act. Motions to vacate and expunge under this subsection
23 (i) may be filed with the circuit court, Chief Judge of a
24 judicial circuit or any judge of the circuit designated by
25 the Chief Judge. When considering such a motion to vacate
26 and expunge, a court shall consider the following: the

1 reasons to retain the records provided by law enforcement,
2 the petitioner's age, the petitioner's age at the time of
3 offense, the time since the conviction, and the specific
4 adverse consequences if denied. An individual may file such
5 a petition after the completion of any sentence or
6 condition imposed by the conviction. Within 60 days of the
7 filing of such motion, a State's Attorney may file an
8 objection to such a petition along with supporting
9 evidence. If a motion to vacate and expunge is granted, the
10 records shall be expunged in accordance with subparagraph
11 (d) (9) (A) of this Section. An agency providing civil legal
12 aid, as defined by Section 15 of the Public Interest
13 Attorney Assistance Act, assisting individuals seeking to
14 file a motion to vacate and expunge under this subsection
15 may file motions to vacate and expunge with the Chief Judge
16 of a judicial circuit or any judge of the circuit
17 designated by the Chief Judge, and the motion may include
18 more than one individual.

19 (4) Any State's Attorney may file a motion to vacate
20 and expunge a conviction for a misdemeanor or Class 4
21 felony violation of Section 4 or Section 5 of the Cannabis
22 Control Act. Motions to vacate and expunge under this
23 subsection (i) may be filed with the circuit court, Chief
24 Judge of a judicial circuit or any judge of the circuit
25 designated by the Chief Judge, and may include more than
26 one individual. When considering such a motion to vacate

1 and expunge, a court shall consider the following: the
2 reasons to retain the records provided by law enforcement,
3 the individual's age, the individual's age at the time of
4 offense, the time since the conviction, and the specific
5 adverse consequences if denied. If the State's Attorney
6 files a motion to vacate and expunge records for Minor
7 Cannabis Offenses pursuant to this Section, the State's
8 Attorney shall notify the Prisoner Review Board within 30
9 days of such filing. If a motion to vacate and expunge is
10 granted, the records shall be expunged in accordance with
11 subparagraph (d) (9) (A) of this Section.

12 (5) In the public interest, the State's Attorney of a
13 county has standing to file motions to vacate and expunge
14 pursuant to this Section in the circuit court with
15 jurisdiction over the underlying conviction.

16 (6) If a person is arrested for a Minor Cannabis
17 Offense as defined in this Section before the effective
18 date of this amendatory Act of the 101st General Assembly
19 and the person's case is still pending but a sentence has
20 not been imposed, the person may petition the court in
21 which the charges are pending for an order to summarily
22 dismiss those charges against him or her, and expunge all
23 official records of his or her arrest, plea, trial,
24 conviction, incarceration, supervision, or expungement. If
25 the court determines, upon review, that: (A) the person was
26 arrested before the effective date of this amendatory Act

1 of the 101st General Assembly for an offense that has been
2 made eligible for expungement; (B) the case is pending at
3 the time; and (C) the person has not been sentenced of the
4 minor cannabis violation eligible for expungement under
5 this subsection, the court shall consider the following:
6 the reasons to retain the records provided by law
7 enforcement, the petitioner's age, the petitioner's age at
8 the time of offense, the time since the conviction, and the
9 specific adverse consequences if denied. If a motion to
10 dismiss and expunge is granted, the records shall be
11 expunged in accordance with subparagraph (d) (9) (A) of this
12 Section.

13 (7) A person imprisoned solely as a result of one or
14 more convictions for Minor Cannabis Offenses under this
15 subsection (i) shall be released from incarceration upon
16 the issuance of an order under this subsection.

17 (8) The Department of State Police shall allow a person
18 to use the access and review process, established in the
19 Department of State Police, for verifying that his or her
20 records relating to Minor Cannabis Offenses of the Cannabis
21 Control Act eligible under this Section have been expunged.

22 (9) No conviction vacated pursuant to this Section
23 shall serve as the basis for damages for time unjustly
24 served as provided in the Court of Claims Act.

25 (10) Effect of Expungement. A person's right to expunge
26 an expungeable offense shall not be limited under this

1 Section. The effect of an order of expungement shall be to
2 restore the person to the status he or she occupied before
3 the arrest, charge, or conviction.

4 (11) Information. The Department of State Police shall
5 post general information on its website about the
6 expungement process described in this subsection (i).

7 (Source: P.A. 99-78, eff. 7-20-15; 99-378, eff. 1-1-16; 99-385,
8 eff. 1-1-16; 99-642, eff. 7-28-16; 99-697, eff. 7-29-16;
9 99-881, eff. 1-1-17; 100-201, eff. 8-18-17; 100-282, eff.
10 1-1-18; 100-284, eff. 8-24-17; 100-287, eff. 8-24-17; 100-692,
11 eff. 8-3-18; 100-759, eff. 1-1-19; 100-776, eff. 8-10-18;
12 100-863, eff. 8-14-18; revised 8-30-18.)

13 Section 900-15. The State Finance Act is amended by adding
14 Sections 5.891, 5.892, 5.893, 5.894, and 6z-107 as follows:

15 (30 ILCS 105/5.891 new)

16 Sec. 5.891. The Cannabis Regulation Fund.

17 (30 ILCS 105/5.892 new)

18 Sec. 5.892. The Cannabis Business Development Fund.

19 (30 ILCS 105/5.893 new)

20 Sec. 5.893. Local Cannabis Consumer Excise Tax Trust Fund.

21 (30 ILCS 105/5.894 new)

1 Sec. 5.894. Cannabis Expungement Fund.

2 (30 ILCS 105/6z-107 new)

3 Sec. 6z-107. The Cannabis Regulation Fund.

4 (a) There is created the Cannabis Regulation Fund in the
5 State treasury, subject to appropriations unless otherwise
6 provided in this Section. All moneys collected under the
7 Cannabis Regulation and Tax Act shall be deposited into the
8 Cannabis Regulation Fund, consisting of taxes, license fees,
9 other fees, and any other amounts required to be deposited or
10 transferred into the Fund.

11 (b) Whenever the Department of Revenue determines that a
12 refund should be made under the Cannabis Regulation and Tax Act
13 to a claimant, the Department of Revenue shall submit a voucher
14 for payment to the State Comptroller, who shall cause the order
15 to be drawn for the amount specified and to the person named in
16 the notification from the Department of Revenue. This
17 subsection (b) shall constitute an irrevocable and continuing
18 appropriation of all amounts necessary for the payment of
19 refunds out of the Fund as authorized under this subsection
20 (b).

21 (c) On or before the 25th day of each calendar month, the
22 Department of Revenue shall prepare and certify to the State
23 Comptroller the transfer and allocations of stated sums of
24 money from the Cannabis Regulation Fund to other named funds in
25 the State treasury. The amount subject to transfer shall be the

1 amount of the taxes, license fees, other fees, and any other
2 amounts paid into the Fund during the second preceding calendar
3 month, minus the refunds made under subsection (b) during the
4 second preceding calendar month by the Department. The
5 transfers shall be certified as follows:

6 (1) The Department of Revenue shall first determine the
7 allocations which shall remain in the Cannabis Regulation
8 Fund, subject to appropriations, to pay for the direct and
9 indirect costs associated with the implementation,
10 administration, and enforcement of the Cannabis Regulation
11 and Tax Act by the Department of Revenue, the Department of
12 State Police, the Department of Financial and Professional
13 Regulation, the Department of Agriculture, the Department
14 of Public Health, the Department of Commerce and Economic
15 Opportunity, and the Illinois Criminal Justice Information
16 Authority.

17 (2) After the allocations have been made as provided in
18 paragraph (1) of this subsection (c), of the remainder of
19 the amount subject to transfer for the month as determined
20 in this subsection (c), the Department shall certify the
21 transfer into the Cannabis Expungement Fund 1/12 of the
22 fiscal year amount appropriated from the Cannabis
23 Expungement Fund for payment of costs incurred by State
24 courts, the Attorney General, State's Attorneys, civil
25 legal aid, as defined by Section 15 of the Public Interest
26 Attorney Assistance Act, and the Department of State Police

1 to facilitate petitions for expungement of Minor Cannabis
2 Offenses pursuant to this amendatory Act of the 101st
3 General Assembly, as adjusted by any supplemental
4 appropriation, plus cumulative deficiencies in such
5 transfers for prior months.

6 (3) After the allocations have been made as provided in
7 paragraphs (1) and (2) of this subsection (c), the
8 Department of Revenue shall certify to the State
9 Comptroller and the State Treasurer shall transfer the
10 amounts that the Department of Revenue determines shall be
11 transferred into the following named funds according to the
12 following:

13 (A) 2% shall be transferred to the Drug Treatment
14 Fund to be used by the Department of Human Services
15 for: (i) developing and administering a scientifically
16 and medically accurate public education campaign
17 educating youth and adults about the health and safety
18 risks of alcohol, tobacco, illegal drug use (including
19 prescription drugs), and cannabis, including use by
20 pregnant women; and (ii) data collection and analysis
21 of the public health impacts of legalizing the
22 recreational use of cannabis. Expenditures for these
23 purposes shall be subject to appropriations.

24 (B) 8% shall be transferred to the Local Government
25 Distributive Fund and allocated as provided in Section
26 2 of the State Revenue Sharing Act. The moneys shall be

1 used to fund crime prevention programs, training, and
2 interdiction efforts, including detection,
3 enforcement, and prevention efforts, relating to the
4 illegal cannabis market and driving under the
5 influence of cannabis.

6 (C) 25% shall be transferred to the Criminal
7 Justice Information Projects Fund to be used for the
8 purposes of the Restore, Reinvest, and Renew Program to
9 address economic development, violence prevention
10 services, re-entry services, youth development, and
11 civil legal aid, as defined by Section 15 of the Public
12 Interest Attorney Assistance Act. The Restore,
13 Reinvest, and Renew Program shall address these issues
14 through targeted investments and intervention programs
15 and promotion of an employment infrastructure and
16 capacity building related to the social determinants
17 of health in impacted community areas. Expenditures
18 for these purposes shall be subject to appropriations.

19 (D) 20% shall be transferred to the Department of
20 Human Services Community Services Fund, to be used to
21 address substance abuse and prevention and mental
22 health concerns, including treatment, education, and
23 prevention to address the negative impacts of
24 substance abuse and mental health issues, including
25 concentrated poverty, violence, and the historical
26 overuse of criminal justice responses in certain

1 communities, on the individual, family, and community,
2 including federal, State, and local governments,
3 health care institutions and providers, and
4 correctional facilities. Expenditures for these
5 purposes shall be subject to appropriations.

6 (E) 10% shall be transferred to the Budget
7 Stabilization Fund.

8 (F) 35%, or any remaining balance, shall be
9 transferred to the General Revenue Fund.

10 As soon as may be practical, but no later than 10 days
11 after receipt, by the State Comptroller of the transfer
12 certification provided for in this subsection (c) to be given
13 to the State Comptroller by the Department of Revenue, the
14 State Comptroller shall direct and the State Treasurer shall
15 transfer the respective amounts in accordance with the
16 directions contained in such certification.

17 (d) On July 1, 2019 the Department of Revenue shall certify
18 to the State Comptroller and the State Treasurer shall transfer
19 \$5,000,000 from the Compassionate Use of Medical Cannabis Fund
20 to the Cannabis Regulation Fund.

21 (e) Notwithstanding any other law to the contrary and
22 except as otherwise provided in this Section, this Fund is not
23 subject to sweeps, administrative charge-backs, or any other
24 fiscal or budgetary maneuver that would in any way transfer any
25 amounts from this Fund into any other fund of the State.

26 (f) The Cannabis Regulation Fund shall retain a balance of

1 \$1,000,000 for the purposes of administrative costs.

2 (g) In Fiscal Year 2024 the allocations in subsection (c)
3 of this Section shall be reviewed and adjusted if the General
4 Assembly finds there is a greater need for funding for a
5 specific purpose in the State as it relates to this amendatory
6 Act of the 101st General Assembly.

7 Section 900-15.5. The Illinois Procurement Code is amended
8 by changing Section 1-10 as follows:

9 (30 ILCS 500/1-10)

10 Sec. 1-10. Application.

11 (a) This Code applies only to procurements for which
12 bidders, offerors, potential contractors, or contractors were
13 first solicited on or after July 1, 1998. This Code shall not
14 be construed to affect or impair any contract, or any provision
15 of a contract, entered into based on a solicitation prior to
16 the implementation date of this Code as described in Article
17 99, including but not limited to any covenant entered into with
18 respect to any revenue bonds or similar instruments. All
19 procurements for which contracts are solicited between the
20 effective date of Articles 50 and 99 and July 1, 1998 shall be
21 substantially in accordance with this Code and its intent.

22 (b) This Code shall apply regardless of the source of the
23 funds with which the contracts are paid, including federal
24 assistance moneys. This Code shall not apply to:

1 (1) Contracts between the State and its political
2 subdivisions or other governments, or between State
3 governmental bodies, except as specifically provided in
4 this Code.

5 (2) Grants, except for the filing requirements of
6 Section 20-80.

7 (3) Purchase of care, except as provided in Section
8 5-30.6 of the Illinois Public Aid Code and this Section.

9 (4) Hiring of an individual as employee and not as an
10 independent contractor, whether pursuant to an employment
11 code or policy or by contract directly with that
12 individual.

13 (5) Collective bargaining contracts.

14 (6) Purchase of real estate, except that notice of this
15 type of contract with a value of more than \$25,000 must be
16 published in the Procurement Bulletin within 10 calendar
17 days after the deed is recorded in the county of
18 jurisdiction. The notice shall identify the real estate
19 purchased, the names of all parties to the contract, the
20 value of the contract, and the effective date of the
21 contract.

22 (7) Contracts necessary to prepare for anticipated
23 litigation, enforcement actions, or investigations,
24 provided that the chief legal counsel to the Governor shall
25 give his or her prior approval when the procuring agency is
26 one subject to the jurisdiction of the Governor, and

1 provided that the chief legal counsel of any other
2 procuring entity subject to this Code shall give his or her
3 prior approval when the procuring entity is not one subject
4 to the jurisdiction of the Governor.

5 (8) (Blank).

6 (9) Procurement expenditures by the Illinois
7 Conservation Foundation when only private funds are used.

8 (10) (Blank).

9 (11) Public-private agreements entered into according
10 to the procurement requirements of Section 20 of the
11 Public-Private Partnerships for Transportation Act and
12 design-build agreements entered into according to the
13 procurement requirements of Section 25 of the
14 Public-Private Partnerships for Transportation Act.

15 (12) Contracts for legal, financial, and other
16 professional and artistic services entered into on or
17 before December 31, 2018 by the Illinois Finance Authority
18 in which the State of Illinois is not obligated. Such
19 contracts shall be awarded through a competitive process
20 authorized by the Board of the Illinois Finance Authority
21 and are subject to Sections 5-30, 20-160, 50-13, 50-20,
22 50-35, and 50-37 of this Code, as well as the final
23 approval by the Board of the Illinois Finance Authority of
24 the terms of the contract.

25 (13) Contracts for services, commodities, and
26 equipment to support the delivery of timely forensic

1 science services in consultation with and subject to the
2 approval of the Chief Procurement Officer as provided in
3 subsection (d) of Section 5-4-3a of the Unified Code of
4 Corrections, except for the requirements of Sections
5 20-60, 20-65, 20-70, and 20-160 and Article 50 of this
6 Code; however, the Chief Procurement Officer may, in
7 writing with justification, waive any certification
8 required under Article 50 of this Code. For any contracts
9 for services which are currently provided by members of a
10 collective bargaining agreement, the applicable terms of
11 the collective bargaining agreement concerning
12 subcontracting shall be followed.

13 On and after January 1, 2019, this paragraph (13),
14 except for this sentence, is inoperative.

15 (14) Contracts for participation expenditures required
16 by a domestic or international trade show or exhibition of
17 an exhibitor, member, or sponsor.

18 (15) Contracts with a railroad or utility that requires
19 the State to reimburse the railroad or utilities for the
20 relocation of utilities for construction or other public
21 purpose. Contracts included within this paragraph (15)
22 shall include, but not be limited to, those associated
23 with: relocations, crossings, installations, and
24 maintenance. For the purposes of this paragraph (15),
25 "railroad" means any form of non-highway ground
26 transportation that runs on rails or electromagnetic

1 guideways and "utility" means: (1) public utilities as
2 defined in Section 3-105 of the Public Utilities Act, (2)
3 telecommunications carriers as defined in Section 13-202
4 of the Public Utilities Act, (3) electric cooperatives as
5 defined in Section 3.4 of the Electric Supplier Act, (4)
6 telephone or telecommunications cooperatives as defined in
7 Section 13-212 of the Public Utilities Act, (5) rural water
8 or waste water systems with 10,000 connections or less, (6)
9 a holder as defined in Section 21-201 of the Public
10 Utilities Act, and (7) municipalities owning or operating
11 utility systems consisting of public utilities as that term
12 is defined in Section 11-117-2 of the Illinois Municipal
13 Code.

14 (16) Procurement expenditures necessary for the
15 Department of Public Health to provide the delivery of
16 timely newborn screening services in accordance with the
17 Newborn Metabolic Screening Act.

18 (17) ~~(16)~~ Procurement expenditures necessary for the
19 Department of Agriculture, the Department of Financial and
20 Professional Regulation, the Department of Human Services,
21 and the Department of Public Health to implement the
22 Compassionate Use of Medical Cannabis Pilot Program and
23 Opioid Alternative Pilot Program requirements and ensure
24 access to medical cannabis for patients with debilitating
25 medical conditions in accordance with the Compassionate
26 Use of Medical Cannabis Pilot Program Act.

1 (18) This Code does not apply to any procurements
2 necessary for the Department of Agriculture, the
3 Department of Financial and Professional Regulation, the
4 Department of Human Services, the Department of Commerce
5 and Economic Opportunity, and the Department of Public
6 Health to implement the Cannabis Regulation and Tax Act if
7 the applicable agency has made a good faith determination
8 that it is necessary and appropriate for the expenditure to
9 fall within this exemption and if the process is conducted
10 in a manner substantially in accordance with the
11 requirements of Sections 20-160, 25-60, 30-22, 50-5,
12 50-10, 50-10.5, 50-12, 50-13, 50-15, 50-20, 50-21, 50-35,
13 50-36, 50-37, 50-38, and 50-50 of this Code; however, for
14 Section 50-35, compliance applies only to contracts or
15 subcontracts over \$100,000. Notice of each contract
16 entered into under this paragraph (18) that is related to
17 the procurement of goods and services identified in
18 paragraph (1) through (9) of this subsection shall be
19 published in the Procurement Bulletin within 14 calendar
20 days after contract execution. The Chief Procurement
21 Officer shall prescribe the form and content of the notice.
22 Each agency shall provide the Chief Procurement Officer, on
23 a monthly basis, in the form and content prescribed by the
24 Chief Procurement Officer, a report of contracts that are
25 related to the procurement of goods and services identified
26 in this subsection. At a minimum, this report shall include

1 the name of the contractor, a description of the supply or
2 service provided, the total amount of the contract, the
3 term of the contract, and the exception to this Code
4 utilized. A copy of any or all of these contracts shall be
5 made available to the Chief Procurement Officer
6 immediately upon request. The Chief Procurement Officer
7 shall submit a report to the Governor and General Assembly
8 no later than November 1 of each year that includes, at a
9 minimum, an annual summary of the monthly information
10 reported to the Chief Procurement Officer. This exemption
11 becomes inoperative 5 years after the effective date of
12 this amendatory Act of the 101st General Assembly.

13 Notwithstanding any other provision of law, for contracts
14 entered into on or after October 1, 2017 under an exemption
15 provided in any paragraph of this subsection (b), except
16 paragraph (1), (2), or (5), each State agency shall post to the
17 appropriate procurement bulletin the name of the contractor, a
18 description of the supply or service provided, the total amount
19 of the contract, the term of the contract, and the exception to
20 the Code utilized. The chief procurement officer shall submit a
21 report to the Governor and General Assembly no later than
22 November 1 of each year that shall include, at a minimum, an
23 annual summary of the monthly information reported to the chief
24 procurement officer.

25 (c) This Code does not apply to the electric power
26 procurement process provided for under Section 1-75 of the

1 Illinois Power Agency Act and Section 16-111.5 of the Public
2 Utilities Act.

3 (d) Except for Section 20-160 and Article 50 of this Code,
4 and as expressly required by Section 9.1 of the Illinois
5 Lottery Law, the provisions of this Code do not apply to the
6 procurement process provided for under Section 9.1 of the
7 Illinois Lottery Law.

8 (e) This Code does not apply to the process used by the
9 Capital Development Board to retain a person or entity to
10 assist the Capital Development Board with its duties related to
11 the determination of costs of a clean coal SNG brownfield
12 facility, as defined by Section 1-10 of the Illinois Power
13 Agency Act, as required in subsection (h-3) of Section 9-220 of
14 the Public Utilities Act, including calculating the range of
15 capital costs, the range of operating and maintenance costs, or
16 the sequestration costs or monitoring the construction of clean
17 coal SNG brownfield facility for the full duration of
18 construction.

19 (f) (Blank).

20 (g) (Blank).

21 (h) This Code does not apply to the process to procure or
22 contracts entered into in accordance with Sections 11-5.2 and
23 11-5.3 of the Illinois Public Aid Code.

24 (i) Each chief procurement officer may access records
25 necessary to review whether a contract, purchase, or other
26 expenditure is or is not subject to the provisions of this

1 Code, unless such records would be subject to attorney-client
2 privilege.

3 (j) This Code does not apply to the process used by the
4 Capital Development Board to retain an artist or work or works
5 of art as required in Section 14 of the Capital Development
6 Board Act.

7 (k) This Code does not apply to the process to procure
8 contracts, or contracts entered into, by the State Board of
9 Elections or the State Electoral Board for hearing officers
10 appointed pursuant to the Election Code.

11 (l) This Code does not apply to the processes used by the
12 Illinois Student Assistance Commission to procure supplies and
13 services paid for from the private funds of the Illinois
14 Prepaid Tuition Fund. As used in this subsection (l), "private
15 funds" means funds derived from deposits paid into the Illinois
16 Prepaid Tuition Trust Fund and the earnings thereon.

17 (Source: P.A. 99-801, eff. 1-1-17; 100-43, eff. 8-9-17;
18 100-580, eff. 3-12-18; 100-757, eff. 8-10-18; 100-1114, eff.
19 8-28-18; revised 10-18-18.)

20 Section 900-16. The Use Tax Act is amended by changing
21 Section 9 as follows:

22 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

23 Sec. 9. Except as to motor vehicles, watercraft, aircraft,
24 and trailers that are required to be registered with an agency

1 of this State, each retailer required or authorized to collect
2 the tax imposed by this Act shall pay to the Department the
3 amount of such tax (except as otherwise provided) at the time
4 when he is required to file his return for the period during
5 which such tax was collected, less a discount of 2.1% prior to
6 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5
7 per calendar year, whichever is greater, which is allowed to
8 reimburse the retailer for expenses incurred in collecting the
9 tax, keeping records, preparing and filing returns, remitting
10 the tax and supplying data to the Department on request. In the
11 case of retailers who report and pay the tax on a transaction
12 by transaction basis, as provided in this Section, such
13 discount shall be taken with each such tax remittance instead
14 of when such retailer files his periodic return. The discount
15 allowed under this Section is allowed only for returns that are
16 filed in the manner required by this Act. The Department may
17 disallow the discount for retailers whose certificate of
18 registration is revoked at the time the return is filed, but
19 only if the Department's decision to revoke the certificate of
20 registration has become final. A retailer need not remit that
21 part of any tax collected by him to the extent that he is
22 required to remit and does remit the tax imposed by the
23 Retailers' Occupation Tax Act, with respect to the sale of the
24 same property.

25 Where such tangible personal property is sold under a
26 conditional sales contract, or under any other form of sale

1 wherein the payment of the principal sum, or a part thereof, is
2 extended beyond the close of the period for which the return is
3 filed, the retailer, in collecting the tax (except as to motor
4 vehicles, watercraft, aircraft, and trailers that are required
5 to be registered with an agency of this State), may collect for
6 each tax return period, only the tax applicable to that part of
7 the selling price actually received during such tax return
8 period.

9 Except as provided in this Section, on or before the
10 twentieth day of each calendar month, such retailer shall file
11 a return for the preceding calendar month. Such return shall be
12 filed on forms prescribed by the Department and shall furnish
13 such information as the Department may reasonably require. On
14 and after January 1, 2018, except for returns for motor
15 vehicles, watercraft, aircraft, and trailers that are required
16 to be registered with an agency of this State, with respect to
17 retailers whose annual gross receipts average \$20,000 or more,
18 all returns required to be filed pursuant to this Act shall be
19 filed electronically. Retailers who demonstrate that they do
20 not have access to the Internet or demonstrate hardship in
21 filing electronically may petition the Department to waive the
22 electronic filing requirement.

23 The Department may require returns to be filed on a
24 quarterly basis. If so required, a return for each calendar
25 quarter shall be filed on or before the twentieth day of the
26 calendar month following the end of such calendar quarter. The

1 taxpayer shall also file a return with the Department for each
2 of the first two months of each calendar quarter, on or before
3 the twentieth day of the following calendar month, stating:

4 1. The name of the seller;

5 2. The address of the principal place of business from
6 which he engages in the business of selling tangible
7 personal property at retail in this State;

8 3. The total amount of taxable receipts received by him
9 during the preceding calendar month from sales of tangible
10 personal property by him during such preceding calendar
11 month, including receipts from charge and time sales, but
12 less all deductions allowed by law;

13 4. The amount of credit provided in Section 2d of this
14 Act;

15 5. The amount of tax due;

16 5-5. The signature of the taxpayer; and

17 6. Such other reasonable information as the Department
18 may require.

19 If a taxpayer fails to sign a return within 30 days after
20 the proper notice and demand for signature by the Department,
21 the return shall be considered valid and any amount shown to be
22 due on the return shall be deemed assessed.

23 Notwithstanding any other provision of this Act to the
24 contrary, retailers subject to tax on cannabis shall file all
25 cannabis tax returns and shall make all cannabis tax payments
26 by electronic means in the manner and form required by the

1 Department.

2 Beginning October 1, 1993, a taxpayer who has an average
3 monthly tax liability of \$150,000 or more shall make all
4 payments required by rules of the Department by electronic
5 funds transfer. Beginning October 1, 1994, a taxpayer who has
6 an average monthly tax liability of \$100,000 or more shall make
7 all payments required by rules of the Department by electronic
8 funds transfer. Beginning October 1, 1995, a taxpayer who has
9 an average monthly tax liability of \$50,000 or more shall make
10 all payments required by rules of the Department by electronic
11 funds transfer. Beginning October 1, 2000, a taxpayer who has
12 an annual tax liability of \$200,000 or more shall make all
13 payments required by rules of the Department by electronic
14 funds transfer. The term "annual tax liability" shall be the
15 sum of the taxpayer's liabilities under this Act, and under all
16 other State and local occupation and use tax laws administered
17 by the Department, for the immediately preceding calendar year.
18 The term "average monthly tax liability" means the sum of the
19 taxpayer's liabilities under this Act, and under all other
20 State and local occupation and use tax laws administered by the
21 Department, for the immediately preceding calendar year
22 divided by 12. Beginning on October 1, 2002, a taxpayer who has
23 a tax liability in the amount set forth in subsection (b) of
24 Section 2505-210 of the Department of Revenue Law shall make
25 all payments required by rules of the Department by electronic
26 funds transfer.

1 Before August 1 of each year beginning in 1993, the
2 Department shall notify all taxpayers required to make payments
3 by electronic funds transfer. All taxpayers required to make
4 payments by electronic funds transfer shall make those payments
5 for a minimum of one year beginning on October 1.

6 Any taxpayer not required to make payments by electronic
7 funds transfer may make payments by electronic funds transfer
8 with the permission of the Department.

9 All taxpayers required to make payment by electronic funds
10 transfer and any taxpayers authorized to voluntarily make
11 payments by electronic funds transfer shall make those payments
12 in the manner authorized by the Department.

13 The Department shall adopt such rules as are necessary to
14 effectuate a program of electronic funds transfer and the
15 requirements of this Section.

16 Before October 1, 2000, if the taxpayer's average monthly
17 tax liability to the Department under this Act, the Retailers'
18 Occupation Tax Act, the Service Occupation Tax Act, the Service
19 Use Tax Act was \$10,000 or more during the preceding 4 complete
20 calendar quarters, he shall file a return with the Department
21 each month by the 20th day of the month next following the
22 month during which such tax liability is incurred and shall
23 make payments to the Department on or before the 7th, 15th,
24 22nd and last day of the month during which such liability is
25 incurred. On and after October 1, 2000, if the taxpayer's
26 average monthly tax liability to the Department under this Act,

1 the Retailers' Occupation Tax Act, the Service Occupation Tax
2 Act, and the Service Use Tax Act was \$20,000 or more during the
3 preceding 4 complete calendar quarters, he shall file a return
4 with the Department each month by the 20th day of the month
5 next following the month during which such tax liability is
6 incurred and shall make payment to the Department on or before
7 the 7th, 15th, 22nd and last day of the month during which such
8 liability is incurred. If the month during which such tax
9 liability is incurred began prior to January 1, 1985, each
10 payment shall be in an amount equal to 1/4 of the taxpayer's
11 actual liability for the month or an amount set by the
12 Department not to exceed 1/4 of the average monthly liability
13 of the taxpayer to the Department for the preceding 4 complete
14 calendar quarters (excluding the month of highest liability and
15 the month of lowest liability in such 4 quarter period). If the
16 month during which such tax liability is incurred begins on or
17 after January 1, 1985, and prior to January 1, 1987, each
18 payment shall be in an amount equal to 22.5% of the taxpayer's
19 actual liability for the month or 27.5% of the taxpayer's
20 liability for the same calendar month of the preceding year. If
21 the month during which such tax liability is incurred begins on
22 or after January 1, 1987, and prior to January 1, 1988, each
23 payment shall be in an amount equal to 22.5% of the taxpayer's
24 actual liability for the month or 26.25% of the taxpayer's
25 liability for the same calendar month of the preceding year. If
26 the month during which such tax liability is incurred begins on

1 or after January 1, 1988, and prior to January 1, 1989, or
2 begins on or after January 1, 1996, each payment shall be in an
3 amount equal to 22.5% of the taxpayer's actual liability for
4 the month or 25% of the taxpayer's liability for the same
5 calendar month of the preceding year. If the month during which
6 such tax liability is incurred begins on or after January 1,
7 1989, and prior to January 1, 1996, each payment shall be in an
8 amount equal to 22.5% of the taxpayer's actual liability for
9 the month or 25% of the taxpayer's liability for the same
10 calendar month of the preceding year or 100% of the taxpayer's
11 actual liability for the quarter monthly reporting period. The
12 amount of such quarter monthly payments shall be credited
13 against the final tax liability of the taxpayer's return for
14 that month. Before October 1, 2000, once applicable, the
15 requirement of the making of quarter monthly payments to the
16 Department shall continue until such taxpayer's average
17 monthly liability to the Department during the preceding 4
18 complete calendar quarters (excluding the month of highest
19 liability and the month of lowest liability) is less than
20 \$9,000, or until such taxpayer's average monthly liability to
21 the Department as computed for each calendar quarter of the 4
22 preceding complete calendar quarter period is less than
23 \$10,000. However, if a taxpayer can show the Department that a
24 substantial change in the taxpayer's business has occurred
25 which causes the taxpayer to anticipate that his average
26 monthly tax liability for the reasonably foreseeable future

1 will fall below the \$10,000 threshold stated above, then such
2 taxpayer may petition the Department for change in such
3 taxpayer's reporting status. On and after October 1, 2000, once
4 applicable, the requirement of the making of quarter monthly
5 payments to the Department shall continue until such taxpayer's
6 average monthly liability to the Department during the
7 preceding 4 complete calendar quarters (excluding the month of
8 highest liability and the month of lowest liability) is less
9 than \$19,000 or until such taxpayer's average monthly liability
10 to the Department as computed for each calendar quarter of the
11 4 preceding complete calendar quarter period is less than
12 \$20,000. However, if a taxpayer can show the Department that a
13 substantial change in the taxpayer's business has occurred
14 which causes the taxpayer to anticipate that his average
15 monthly tax liability for the reasonably foreseeable future
16 will fall below the \$20,000 threshold stated above, then such
17 taxpayer may petition the Department for a change in such
18 taxpayer's reporting status. The Department shall change such
19 taxpayer's reporting status unless it finds that such change is
20 seasonal in nature and not likely to be long term. If any such
21 quarter monthly payment is not paid at the time or in the
22 amount required by this Section, then the taxpayer shall be
23 liable for penalties and interest on the difference between the
24 minimum amount due and the amount of such quarter monthly
25 payment actually and timely paid, except insofar as the
26 taxpayer has previously made payments for that month to the

1 Department in excess of the minimum payments previously due as
2 provided in this Section. The Department shall make reasonable
3 rules and regulations to govern the quarter monthly payment
4 amount and quarter monthly payment dates for taxpayers who file
5 on other than a calendar monthly basis.

6 If any such payment provided for in this Section exceeds
7 the taxpayer's liabilities under this Act, the Retailers'
8 Occupation Tax Act, the Service Occupation Tax Act and the
9 Service Use Tax Act, as shown by an original monthly return,
10 the Department shall issue to the taxpayer a credit memorandum
11 no later than 30 days after the date of payment, which
12 memorandum may be submitted by the taxpayer to the Department
13 in payment of tax liability subsequently to be remitted by the
14 taxpayer to the Department or be assigned by the taxpayer to a
15 similar taxpayer under this Act, the Retailers' Occupation Tax
16 Act, the Service Occupation Tax Act or the Service Use Tax Act,
17 in accordance with reasonable rules and regulations to be
18 prescribed by the Department, except that if such excess
19 payment is shown on an original monthly return and is made
20 after December 31, 1986, no credit memorandum shall be issued,
21 unless requested by the taxpayer. If no such request is made,
22 the taxpayer may credit such excess payment against tax
23 liability subsequently to be remitted by the taxpayer to the
24 Department under this Act, the Retailers' Occupation Tax Act,
25 the Service Occupation Tax Act or the Service Use Tax Act, in
26 accordance with reasonable rules and regulations prescribed by

1 the Department. If the Department subsequently determines that
2 all or any part of the credit taken was not actually due to the
3 taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall
4 be reduced by 2.1% or 1.75% of the difference between the
5 credit taken and that actually due, and the taxpayer shall be
6 liable for penalties and interest on such difference.

7 If the retailer is otherwise required to file a monthly
8 return and if the retailer's average monthly tax liability to
9 the Department does not exceed \$200, the Department may
10 authorize his returns to be filed on a quarter annual basis,
11 with the return for January, February, and March of a given
12 year being due by April 20 of such year; with the return for
13 April, May and June of a given year being due by July 20 of such
14 year; with the return for July, August and September of a given
15 year being due by October 20 of such year, and with the return
16 for October, November and December of a given year being due by
17 January 20 of the following year.

18 If the retailer is otherwise required to file a monthly or
19 quarterly return and if the retailer's average monthly tax
20 liability to the Department does not exceed \$50, the Department
21 may authorize his returns to be filed on an annual basis, with
22 the return for a given year being due by January 20 of the
23 following year.

24 Such quarter annual and annual returns, as to form and
25 substance, shall be subject to the same requirements as monthly
26 returns.

1 Notwithstanding any other provision in this Act concerning
2 the time within which a retailer may file his return, in the
3 case of any retailer who ceases to engage in a kind of business
4 which makes him responsible for filing returns under this Act,
5 such retailer shall file a final return under this Act with the
6 Department not more than one month after discontinuing such
7 business.

8 In addition, with respect to motor vehicles, watercraft,
9 aircraft, and trailers that are required to be registered with
10 an agency of this State, except as otherwise provided in this
11 Section, every retailer selling this kind of tangible personal
12 property shall file, with the Department, upon a form to be
13 prescribed and supplied by the Department, a separate return
14 for each such item of tangible personal property which the
15 retailer sells, except that if, in the same transaction, (i) a
16 retailer of aircraft, watercraft, motor vehicles or trailers
17 transfers more than one aircraft, watercraft, motor vehicle or
18 trailer to another aircraft, watercraft, motor vehicle or
19 trailer retailer for the purpose of resale or (ii) a retailer
20 of aircraft, watercraft, motor vehicles, or trailers transfers
21 more than one aircraft, watercraft, motor vehicle, or trailer
22 to a purchaser for use as a qualifying rolling stock as
23 provided in Section 3-55 of this Act, then that seller may
24 report the transfer of all the aircraft, watercraft, motor
25 vehicles or trailers involved in that transaction to the
26 Department on the same uniform invoice-transaction reporting

1 return form. For purposes of this Section, "watercraft" means a
2 Class 2, Class 3, or Class 4 watercraft as defined in Section
3 3-2 of the Boat Registration and Safety Act, a personal
4 watercraft, or any boat equipped with an inboard motor.

5 In addition, with respect to motor vehicles, watercraft,
6 aircraft, and trailers that are required to be registered with
7 an agency of this State, every person who is engaged in the
8 business of leasing or renting such items and who, in
9 connection with such business, sells any such item to a
10 retailer for the purpose of resale is, notwithstanding any
11 other provision of this Section to the contrary, authorized to
12 meet the return-filing requirement of this Act by reporting the
13 transfer of all the aircraft, watercraft, motor vehicles, or
14 trailers transferred for resale during a month to the
15 Department on the same uniform invoice-transaction reporting
16 return form on or before the 20th of the month following the
17 month in which the transfer takes place. Notwithstanding any
18 other provision of this Act to the contrary, all returns filed
19 under this paragraph must be filed by electronic means in the
20 manner and form as required by the Department.

21 The transaction reporting return in the case of motor
22 vehicles or trailers that are required to be registered with an
23 agency of this State, shall be the same document as the Uniform
24 Invoice referred to in Section 5-402 of the Illinois Vehicle
25 Code and must show the name and address of the seller; the name
26 and address of the purchaser; the amount of the selling price

1 including the amount allowed by the retailer for traded-in
2 property, if any; the amount allowed by the retailer for the
3 traded-in tangible personal property, if any, to the extent to
4 which Section 2 of this Act allows an exemption for the value
5 of traded-in property; the balance payable after deducting such
6 trade-in allowance from the total selling price; the amount of
7 tax due from the retailer with respect to such transaction; the
8 amount of tax collected from the purchaser by the retailer on
9 such transaction (or satisfactory evidence that such tax is not
10 due in that particular instance, if that is claimed to be the
11 fact); the place and date of the sale; a sufficient
12 identification of the property sold; such other information as
13 is required in Section 5-402 of the Illinois Vehicle Code, and
14 such other information as the Department may reasonably
15 require.

16 The transaction reporting return in the case of watercraft
17 and aircraft must show the name and address of the seller; the
18 name and address of the purchaser; the amount of the selling
19 price including the amount allowed by the retailer for
20 traded-in property, if any; the amount allowed by the retailer
21 for the traded-in tangible personal property, if any, to the
22 extent to which Section 2 of this Act allows an exemption for
23 the value of traded-in property; the balance payable after
24 deducting such trade-in allowance from the total selling price;
25 the amount of tax due from the retailer with respect to such
26 transaction; the amount of tax collected from the purchaser by

1 the retailer on such transaction (or satisfactory evidence that
2 such tax is not due in that particular instance, if that is
3 claimed to be the fact); the place and date of the sale, a
4 sufficient identification of the property sold, and such other
5 information as the Department may reasonably require.

6 Such transaction reporting return shall be filed not later
7 than 20 days after the date of delivery of the item that is
8 being sold, but may be filed by the retailer at any time sooner
9 than that if he chooses to do so. The transaction reporting
10 return and tax remittance or proof of exemption from the tax
11 that is imposed by this Act may be transmitted to the
12 Department by way of the State agency with which, or State
13 officer with whom, the tangible personal property must be
14 titled or registered (if titling or registration is required)
15 if the Department and such agency or State officer determine
16 that this procedure will expedite the processing of
17 applications for title or registration.

18 With each such transaction reporting return, the retailer
19 shall remit the proper amount of tax due (or shall submit
20 satisfactory evidence that the sale is not taxable if that is
21 the case), to the Department or its agents, whereupon the
22 Department shall issue, in the purchaser's name, a tax receipt
23 (or a certificate of exemption if the Department is satisfied
24 that the particular sale is tax exempt) which such purchaser
25 may submit to the agency with which, or State officer with
26 whom, he must title or register the tangible personal property

1 that is involved (if titling or registration is required) in
2 support of such purchaser's application for an Illinois
3 certificate or other evidence of title or registration to such
4 tangible personal property.

5 No retailer's failure or refusal to remit tax under this
6 Act precludes a user, who has paid the proper tax to the
7 retailer, from obtaining his certificate of title or other
8 evidence of title or registration (if titling or registration
9 is required) upon satisfying the Department that such user has
10 paid the proper tax (if tax is due) to the retailer. The
11 Department shall adopt appropriate rules to carry out the
12 mandate of this paragraph.

13 If the user who would otherwise pay tax to the retailer
14 wants the transaction reporting return filed and the payment of
15 tax or proof of exemption made to the Department before the
16 retailer is willing to take these actions and such user has not
17 paid the tax to the retailer, such user may certify to the fact
18 of such delay by the retailer, and may (upon the Department
19 being satisfied of the truth of such certification) transmit
20 the information required by the transaction reporting return
21 and the remittance for tax or proof of exemption directly to
22 the Department and obtain his tax receipt or exemption
23 determination, in which event the transaction reporting return
24 and tax remittance (if a tax payment was required) shall be
25 credited by the Department to the proper retailer's account
26 with the Department, but without the 2.1% or 1.75% discount

1 provided for in this Section being allowed. When the user pays
2 the tax directly to the Department, he shall pay the tax in the
3 same amount and in the same form in which it would be remitted
4 if the tax had been remitted to the Department by the retailer.

5 Where a retailer collects the tax with respect to the
6 selling price of tangible personal property which he sells and
7 the purchaser thereafter returns such tangible personal
8 property and the retailer refunds the selling price thereof to
9 the purchaser, such retailer shall also refund, to the
10 purchaser, the tax so collected from the purchaser. When filing
11 his return for the period in which he refunds such tax to the
12 purchaser, the retailer may deduct the amount of the tax so
13 refunded by him to the purchaser from any other use tax which
14 such retailer may be required to pay or remit to the
15 Department, as shown by such return, if the amount of the tax
16 to be deducted was previously remitted to the Department by
17 such retailer. If the retailer has not previously remitted the
18 amount of such tax to the Department, he is entitled to no
19 deduction under this Act upon refunding such tax to the
20 purchaser.

21 Any retailer filing a return under this Section shall also
22 include (for the purpose of paying tax thereon) the total tax
23 covered by such return upon the selling price of tangible
24 personal property purchased by him at retail from a retailer,
25 but as to which the tax imposed by this Act was not collected
26 from the retailer filing such return, and such retailer shall

1 remit the amount of such tax to the Department when filing such
2 return.

3 If experience indicates such action to be practicable, the
4 Department may prescribe and furnish a combination or joint
5 return which will enable retailers, who are required to file
6 returns hereunder and also under the Retailers' Occupation Tax
7 Act, to furnish all the return information required by both
8 Acts on the one form.

9 Where the retailer has more than one business registered
10 with the Department under separate registration under this Act,
11 such retailer may not file each return that is due as a single
12 return covering all such registered businesses, but shall file
13 separate returns for each such registered business.

14 Beginning January 1, 1990, each month the Department shall
15 pay into the State and Local Sales Tax Reform Fund, a special
16 fund in the State Treasury which is hereby created, the net
17 revenue realized for the preceding month from the 1% tax
18 imposed under this Act.

19 Beginning January 1, 1990, each month the Department shall
20 pay into the County and Mass Transit District Fund 4% of the
21 net revenue realized for the preceding month from the 6.25%
22 general rate on the selling price of tangible personal property
23 which is purchased outside Illinois at retail from a retailer
24 and which is titled or registered by an agency of this State's
25 government.

26 Beginning January 1, 1990, each month the Department shall

1 pay into the State and Local Sales Tax Reform Fund, a special
2 fund in the State Treasury, 20% of the net revenue realized for
3 the preceding month from the 6.25% general rate on the selling
4 price of tangible personal property, other than tangible
5 personal property which is purchased outside Illinois at retail
6 from a retailer and which is titled or registered by an agency
7 of this State's government.

8 Beginning August 1, 2000, each month the Department shall
9 pay into the State and Local Sales Tax Reform Fund 100% of the
10 net revenue realized for the preceding month from the 1.25%
11 rate on the selling price of motor fuel and gasohol. Beginning
12 September 1, 2010, each month the Department shall pay into the
13 State and Local Sales Tax Reform Fund 100% of the net revenue
14 realized for the preceding month from the 1.25% rate on the
15 selling price of sales tax holiday items.

16 Beginning January 1, 1990, each month the Department shall
17 pay into the Local Government Tax Fund 16% of the net revenue
18 realized for the preceding month from the 6.25% general rate on
19 the selling price of tangible personal property which is
20 purchased outside Illinois at retail from a retailer and which
21 is titled or registered by an agency of this State's
22 government.

23 Beginning October 1, 2009, each month the Department shall
24 pay into the Capital Projects Fund an amount that is equal to
25 an amount estimated by the Department to represent 80% of the
26 net revenue realized for the preceding month from the sale of

1 candy, grooming and hygiene products, and soft drinks that had
2 been taxed at a rate of 1% prior to September 1, 2009 but that
3 are now taxed at 6.25%.

4 Beginning July 1, 2011, each month the Department shall pay
5 into the Clean Air Act Permit Fund 80% of the net revenue
6 realized for the preceding month from the 6.25% general rate on
7 the selling price of sorbents used in Illinois in the process
8 of sorbent injection as used to comply with the Environmental
9 Protection Act or the federal Clean Air Act, but the total
10 payment into the Clean Air Act Permit Fund under this Act and
11 the Retailers' Occupation Tax Act shall not exceed \$2,000,000
12 in any fiscal year.

13 Beginning July 1, 2013, each month the Department shall pay
14 into the Underground Storage Tank Fund from the proceeds
15 collected under this Act, the Service Use Tax Act, the Service
16 Occupation Tax Act, and the Retailers' Occupation Tax Act an
17 amount equal to the average monthly deficit in the Underground
18 Storage Tank Fund during the prior year, as certified annually
19 by the Illinois Environmental Protection Agency, but the total
20 payment into the Underground Storage Tank Fund under this Act,
21 the Service Use Tax Act, the Service Occupation Tax Act, and
22 the Retailers' Occupation Tax Act shall not exceed \$18,000,000
23 in any State fiscal year. As used in this paragraph, the
24 "average monthly deficit" shall be equal to the difference
25 between the average monthly claims for payment by the fund and
26 the average monthly revenues deposited into the fund, excluding

1 payments made pursuant to this paragraph.

2 Beginning July 1, 2015, of the remainder of the moneys
3 received by the Department under this Act, the Service Use Tax
4 Act, the Service Occupation Tax Act, and the Retailers'
5 Occupation Tax Act, each month the Department shall deposit
6 \$500,000 into the State Crime Laboratory Fund.

7 Of the remainder of the moneys received by the Department
8 pursuant to this Act, (a) 1.75% thereof shall be paid into the
9 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
10 and after July 1, 1989, 3.8% thereof shall be paid into the
11 Build Illinois Fund; provided, however, that if in any fiscal
12 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
13 may be, of the moneys received by the Department and required
14 to be paid into the Build Illinois Fund pursuant to Section 3
15 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
16 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
17 Service Occupation Tax Act, such Acts being hereinafter called
18 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case
19 may be, of moneys being hereinafter called the "Tax Act
20 Amount", and (2) the amount transferred to the Build Illinois
21 Fund from the State and Local Sales Tax Reform Fund shall be
22 less than the Annual Specified Amount (as defined in Section 3
23 of the Retailers' Occupation Tax Act), an amount equal to the
24 difference shall be immediately paid into the Build Illinois
25 Fund from other moneys received by the Department pursuant to
26 the Tax Acts; and further provided, that if on the last

1 business day of any month the sum of (1) the Tax Act Amount
2 required to be deposited into the Build Illinois Bond Account
3 in the Build Illinois Fund during such month and (2) the amount
4 transferred during such month to the Build Illinois Fund from
5 the State and Local Sales Tax Reform Fund shall have been less
6 than 1/12 of the Annual Specified Amount, an amount equal to
7 the difference shall be immediately paid into the Build
8 Illinois Fund from other moneys received by the Department
9 pursuant to the Tax Acts; and, further provided, that in no
10 event shall the payments required under the preceding proviso
11 result in aggregate payments into the Build Illinois Fund
12 pursuant to this clause (b) for any fiscal year in excess of
13 the greater of (i) the Tax Act Amount or (ii) the Annual
14 Specified Amount for such fiscal year; and, further provided,
15 that the amounts payable into the Build Illinois Fund under
16 this clause (b) shall be payable only until such time as the
17 aggregate amount on deposit under each trust indenture securing
18 Bonds issued and outstanding pursuant to the Build Illinois
19 Bond Act is sufficient, taking into account any future
20 investment income, to fully provide, in accordance with such
21 indenture, for the defeasance of or the payment of the
22 principal of, premium, if any, and interest on the Bonds
23 secured by such indenture and on any Bonds expected to be
24 issued thereafter and all fees and costs payable with respect
25 thereto, all as certified by the Director of the Bureau of the
26 Budget (now Governor's Office of Management and Budget). If on

1 the last business day of any month in which Bonds are
2 outstanding pursuant to the Build Illinois Bond Act, the
3 aggregate of the moneys deposited in the Build Illinois Bond
4 Account in the Build Illinois Fund in such month shall be less
5 than the amount required to be transferred in such month from
6 the Build Illinois Bond Account to the Build Illinois Bond
7 Retirement and Interest Fund pursuant to Section 13 of the
8 Build Illinois Bond Act, an amount equal to such deficiency
9 shall be immediately paid from other moneys received by the
10 Department pursuant to the Tax Acts to the Build Illinois Fund;
11 provided, however, that any amounts paid to the Build Illinois
12 Fund in any fiscal year pursuant to this sentence shall be
13 deemed to constitute payments pursuant to clause (b) of the
14 preceding sentence and shall reduce the amount otherwise
15 payable for such fiscal year pursuant to clause (b) of the
16 preceding sentence. The moneys received by the Department
17 pursuant to this Act and required to be deposited into the
18 Build Illinois Fund are subject to the pledge, claim and charge
19 set forth in Section 12 of the Build Illinois Bond Act.

20 Subject to payment of amounts into the Build Illinois Fund
21 as provided in the preceding paragraph or in any amendment
22 thereto hereafter enacted, the following specified monthly
23 installment of the amount requested in the certificate of the
24 Chairman of the Metropolitan Pier and Exposition Authority
25 provided under Section 8.25f of the State Finance Act, but not
26 in excess of the sums designated as "Total Deposit", shall be

1 deposited in the aggregate from collections under Section 9 of
2 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
3 9 of the Service Occupation Tax Act, and Section 3 of the
4 Retailers' Occupation Tax Act into the McCormick Place
5 Expansion Project Fund in the specified fiscal years.

6	Fiscal Year	Total Deposit
7	1993	\$0
8	1994	53,000,000
9	1995	58,000,000
10	1996	61,000,000
11	1997	64,000,000
12	1998	68,000,000
13	1999	71,000,000
14	2000	75,000,000
15	2001	80,000,000
16	2002	93,000,000
17	2003	99,000,000
18	2004	103,000,000
19	2005	108,000,000
20	2006	113,000,000
21	2007	119,000,000
22	2008	126,000,000
23	2009	132,000,000
24	2010	139,000,000
25	2011	146,000,000
26	2012	153,000,000

1	2013	161,000,000
2	2014	170,000,000
3	2015	179,000,000
4	2016	189,000,000
5	2017	199,000,000
6	2018	210,000,000
7	2019	221,000,000
8	2020	233,000,000
9	2021	246,000,000
10	2022	260,000,000
11	2023	275,000,000
12	2024	275,000,000
13	2025	275,000,000
14	2026	279,000,000
15	2027	292,000,000
16	2028	307,000,000
17	2029	322,000,000
18	2030	338,000,000
19	2031	350,000,000
20	2032	350,000,000

21 and
22 each fiscal year
23 thereafter that bonds
24 are outstanding under
25 Section 13.2 of the
26 Metropolitan Pier and

1 Exposition Authority Act,
2 but not after fiscal year 2060.

3 Beginning July 20, 1993 and in each month of each fiscal
4 year thereafter, one-eighth of the amount requested in the
5 certificate of the Chairman of the Metropolitan Pier and
6 Exposition Authority for that fiscal year, less the amount
7 deposited into the McCormick Place Expansion Project Fund by
8 the State Treasurer in the respective month under subsection
9 (g) of Section 13 of the Metropolitan Pier and Exposition
10 Authority Act, plus cumulative deficiencies in the deposits
11 required under this Section for previous months and years,
12 shall be deposited into the McCormick Place Expansion Project
13 Fund, until the full amount requested for the fiscal year, but
14 not in excess of the amount specified above as "Total Deposit",
15 has been deposited.

16 Subject to payment of amounts into the Build Illinois Fund
17 and the McCormick Place Expansion Project Fund pursuant to the
18 preceding paragraphs or in any amendments thereto hereafter
19 enacted, beginning July 1, 1993 and ending on September 30,
20 2013, the Department shall each month pay into the Illinois Tax
21 Increment Fund 0.27% of 80% of the net revenue realized for the
22 preceding month from the 6.25% general rate on the selling
23 price of tangible personal property.

24 Subject to payment of amounts into the Build Illinois Fund
25 and the McCormick Place Expansion Project Fund pursuant to the
26 preceding paragraphs or in any amendments thereto hereafter

1 enacted, beginning with the receipt of the first report of
2 taxes paid by an eligible business and continuing for a 25-year
3 period, the Department shall each month pay into the Energy
4 Infrastructure Fund 80% of the net revenue realized from the
5 6.25% general rate on the selling price of Illinois-mined coal
6 that was sold to an eligible business. For purposes of this
7 paragraph, the term "eligible business" means a new electric
8 generating facility certified pursuant to Section 605-332 of
9 the Department of Commerce and Economic Opportunity Law of the
10 Civil Administrative Code of Illinois.

11 Subject to payment of amounts into the Build Illinois Fund,
12 the McCormick Place Expansion Project Fund, the Illinois Tax
13 Increment Fund, and the Energy Infrastructure Fund pursuant to
14 the preceding paragraphs or in any amendments to this Section
15 hereafter enacted, beginning on the first day of the first
16 calendar month to occur on or after August 26, 2014 (the
17 effective date of Public Act 98-1098), each month, from the
18 collections made under Section 9 of the Use Tax Act, Section 9
19 of the Service Use Tax Act, Section 9 of the Service Occupation
20 Tax Act, and Section 3 of the Retailers' Occupation Tax Act,
21 the Department shall pay into the Tax Compliance and
22 Administration Fund, to be used, subject to appropriation, to
23 fund additional auditors and compliance personnel at the
24 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
25 the cash receipts collected during the preceding fiscal year by
26 the Audit Bureau of the Department under the Use Tax Act, the

1 Service Use Tax Act, the Service Occupation Tax Act, the
2 Retailers' Occupation Tax Act, and associated local occupation
3 and use taxes administered by the Department.

4 Subject to payments of amounts into the Build Illinois
5 Fund, the McCormick Place Expansion Project Fund, the Illinois
6 Tax Increment Fund, the Energy Infrastructure Fund, and the Tax
7 Compliance and Administration Fund as provided in this Section,
8 beginning on July 1, 2018 the Department shall pay each month
9 into the Downstate Public Transportation Fund the moneys
10 required to be so paid under Section 2-3 of the Downstate
11 Public Transportation Act.

12 Of the remainder of the moneys received by the Department
13 pursuant to this Act, 75% thereof shall be paid into the State
14 Treasury and 25% shall be reserved in a special account and
15 used only for the transfer to the Common School Fund as part of
16 the monthly transfer from the General Revenue Fund in
17 accordance with Section 8a of the State Finance Act.

18 As soon as possible after the first day of each month, upon
19 certification of the Department of Revenue, the Comptroller
20 shall order transferred and the Treasurer shall transfer from
21 the General Revenue Fund to the Motor Fuel Tax Fund an amount
22 equal to 1.7% of 80% of the net revenue realized under this Act
23 for the second preceding month. Beginning April 1, 2000, this
24 transfer is no longer required and shall not be made.

25 Net revenue realized for a month shall be the revenue
26 collected by the State pursuant to this Act, less the amount

1 paid out during that month as refunds to taxpayers for
2 overpayment of liability.

3 For greater simplicity of administration, manufacturers,
4 importers and wholesalers whose products are sold at retail in
5 Illinois by numerous retailers, and who wish to do so, may
6 assume the responsibility for accounting and paying to the
7 Department all tax accruing under this Act with respect to such
8 sales, if the retailers who are affected do not make written
9 objection to the Department to this arrangement.

10 (Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16;
11 99-933, eff. 1-27-17; 100-303, eff. 8-24-17; 100-363, eff.
12 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19.)

13 Section 900-17. The Service Use Tax Act is amended by
14 changing Section 9 as follows:

15 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

16 Sec. 9. Each serviceman required or authorized to collect
17 the tax herein imposed shall pay to the Department the amount
18 of such tax (except as otherwise provided) at the time when he
19 is required to file his return for the period during which such
20 tax was collected, less a discount of 2.1% prior to January 1,
21 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar
22 year, whichever is greater, which is allowed to reimburse the
23 serviceman for expenses incurred in collecting the tax, keeping
24 records, preparing and filing returns, remitting the tax and

1 supplying data to the Department on request. The discount
2 allowed under this Section is allowed only for returns that are
3 filed in the manner required by this Act. The Department may
4 disallow the discount for servicemen whose certificate of
5 registration is revoked at the time the return is filed, but
6 only if the Department's decision to revoke the certificate of
7 registration has become final. A serviceman need not remit that
8 part of any tax collected by him to the extent that he is
9 required to pay and does pay the tax imposed by the Service
10 Occupation Tax Act with respect to his sale of service
11 involving the incidental transfer by him of the same property.

12 Except as provided hereinafter in this Section, on or
13 before the twentieth day of each calendar month, such
14 serviceman shall file a return for the preceding calendar month
15 in accordance with reasonable Rules and Regulations to be
16 promulgated by the Department. Such return shall be filed on a
17 form prescribed by the Department and shall contain such
18 information as the Department may reasonably require. On and
19 after January 1, 2018, with respect to servicemen whose annual
20 gross receipts average \$20,000 or more, all returns required to
21 be filed pursuant to this Act shall be filed electronically.
22 Servicemen who demonstrate that they do not have access to the
23 Internet or demonstrate hardship in filing electronically may
24 petition the Department to waive the electronic filing
25 requirement.

26 The Department may require returns to be filed on a

1 quarterly basis. If so required, a return for each calendar
2 quarter shall be filed on or before the twentieth day of the
3 calendar month following the end of such calendar quarter. The
4 taxpayer shall also file a return with the Department for each
5 of the first two months of each calendar quarter, on or before
6 the twentieth day of the following calendar month, stating:

7 1. The name of the seller;

8 2. The address of the principal place of business from
9 which he engages in business as a serviceman in this State;

10 3. The total amount of taxable receipts received by him
11 during the preceding calendar month, including receipts
12 from charge and time sales, but less all deductions allowed
13 by law;

14 4. The amount of credit provided in Section 2d of this
15 Act;

16 5. The amount of tax due;

17 5-5. The signature of the taxpayer; and

18 6. Such other reasonable information as the Department
19 may require.

20 If a taxpayer fails to sign a return within 30 days after
21 the proper notice and demand for signature by the Department,
22 the return shall be considered valid and any amount shown to be
23 due on the return shall be deemed assessed.

24 Notwithstanding any other provision of this Act to the
25 contrary, servicemen subject to tax on cannabis shall file all
26 cannabis tax returns and shall make all cannabis tax payments

1 by electronic means in the manner and form required by the
2 Department.

3 Beginning October 1, 1993, a taxpayer who has an average
4 monthly tax liability of \$150,000 or more shall make all
5 payments required by rules of the Department by electronic
6 funds transfer. Beginning October 1, 1994, a taxpayer who has
7 an average monthly tax liability of \$100,000 or more shall make
8 all payments required by rules of the Department by electronic
9 funds transfer. Beginning October 1, 1995, a taxpayer who has
10 an average monthly tax liability of \$50,000 or more shall make
11 all payments required by rules of the Department by electronic
12 funds transfer. Beginning October 1, 2000, a taxpayer who has
13 an annual tax liability of \$200,000 or more shall make all
14 payments required by rules of the Department by electronic
15 funds transfer. The term "annual tax liability" shall be the
16 sum of the taxpayer's liabilities under this Act, and under all
17 other State and local occupation and use tax laws administered
18 by the Department, for the immediately preceding calendar year.
19 The term "average monthly tax liability" means the sum of the
20 taxpayer's liabilities under this Act, and under all other
21 State and local occupation and use tax laws administered by the
22 Department, for the immediately preceding calendar year
23 divided by 12. Beginning on October 1, 2002, a taxpayer who has
24 a tax liability in the amount set forth in subsection (b) of
25 Section 2505-210 of the Department of Revenue Law shall make
26 all payments required by rules of the Department by electronic

1 funds transfer.

2 Before August 1 of each year beginning in 1993, the
3 Department shall notify all taxpayers required to make payments
4 by electronic funds transfer. All taxpayers required to make
5 payments by electronic funds transfer shall make those payments
6 for a minimum of one year beginning on October 1.

7 Any taxpayer not required to make payments by electronic
8 funds transfer may make payments by electronic funds transfer
9 with the permission of the Department.

10 All taxpayers required to make payment by electronic funds
11 transfer and any taxpayers authorized to voluntarily make
12 payments by electronic funds transfer shall make those payments
13 in the manner authorized by the Department.

14 The Department shall adopt such rules as are necessary to
15 effectuate a program of electronic funds transfer and the
16 requirements of this Section.

17 If the serviceman is otherwise required to file a monthly
18 return and if the serviceman's average monthly tax liability to
19 the Department does not exceed \$200, the Department may
20 authorize his returns to be filed on a quarter annual basis,
21 with the return for January, February and March of a given year
22 being due by April 20 of such year; with the return for April,
23 May and June of a given year being due by July 20 of such year;
24 with the return for July, August and September of a given year
25 being due by October 20 of such year, and with the return for
26 October, November and December of a given year being due by

1 January 20 of the following year.

2 If the serviceman is otherwise required to file a monthly
3 or quarterly return and if the serviceman's average monthly tax
4 liability to the Department does not exceed \$50, the Department
5 may authorize his returns to be filed on an annual basis, with
6 the return for a given year being due by January 20 of the
7 following year.

8 Such quarter annual and annual returns, as to form and
9 substance, shall be subject to the same requirements as monthly
10 returns.

11 Notwithstanding any other provision in this Act concerning
12 the time within which a serviceman may file his return, in the
13 case of any serviceman who ceases to engage in a kind of
14 business which makes him responsible for filing returns under
15 this Act, such serviceman shall file a final return under this
16 Act with the Department not more than 1 month after
17 discontinuing such business.

18 Where a serviceman collects the tax with respect to the
19 selling price of property which he sells and the purchaser
20 thereafter returns such property and the serviceman refunds the
21 selling price thereof to the purchaser, such serviceman shall
22 also refund, to the purchaser, the tax so collected from the
23 purchaser. When filing his return for the period in which he
24 refunds such tax to the purchaser, the serviceman may deduct
25 the amount of the tax so refunded by him to the purchaser from
26 any other Service Use Tax, Service Occupation Tax, retailers'

1 occupation tax or use tax which such serviceman may be required
2 to pay or remit to the Department, as shown by such return,
3 provided that the amount of the tax to be deducted shall
4 previously have been remitted to the Department by such
5 serviceman. If the serviceman shall not previously have
6 remitted the amount of such tax to the Department, he shall be
7 entitled to no deduction hereunder upon refunding such tax to
8 the purchaser.

9 Any serviceman filing a return hereunder shall also include
10 the total tax upon the selling price of tangible personal
11 property purchased for use by him as an incident to a sale of
12 service, and such serviceman shall remit the amount of such tax
13 to the Department when filing such return.

14 If experience indicates such action to be practicable, the
15 Department may prescribe and furnish a combination or joint
16 return which will enable servicemen, who are required to file
17 returns hereunder and also under the Service Occupation Tax
18 Act, to furnish all the return information required by both
19 Acts on the one form.

20 Where the serviceman has more than one business registered
21 with the Department under separate registration hereunder,
22 such serviceman shall not file each return that is due as a
23 single return covering all such registered businesses, but
24 shall file separate returns for each such registered business.

25 Beginning January 1, 1990, each month the Department shall
26 pay into the State and Local Tax Reform Fund, a special fund in

1 the State Treasury, the net revenue realized for the preceding
2 month from the 1% tax imposed under this Act.

3 Beginning January 1, 1990, each month the Department shall
4 pay into the State and Local Sales Tax Reform Fund 20% of the
5 net revenue realized for the preceding month from the 6.25%
6 general rate on transfers of tangible personal property, other
7 than tangible personal property which is purchased outside
8 Illinois at retail from a retailer and which is titled or
9 registered by an agency of this State's government.

10 Beginning August 1, 2000, each month the Department shall
11 pay into the State and Local Sales Tax Reform Fund 100% of the
12 net revenue realized for the preceding month from the 1.25%
13 rate on the selling price of motor fuel and gasohol.

14 Beginning October 1, 2009, each month the Department shall
15 pay into the Capital Projects Fund an amount that is equal to
16 an amount estimated by the Department to represent 80% of the
17 net revenue realized for the preceding month from the sale of
18 candy, grooming and hygiene products, and soft drinks that had
19 been taxed at a rate of 1% prior to September 1, 2009 but that
20 are now taxed at 6.25%.

21 Beginning July 1, 2013, each month the Department shall pay
22 into the Underground Storage Tank Fund from the proceeds
23 collected under this Act, the Use Tax Act, the Service
24 Occupation Tax Act, and the Retailers' Occupation Tax Act an
25 amount equal to the average monthly deficit in the Underground
26 Storage Tank Fund during the prior year, as certified annually

1 by the Illinois Environmental Protection Agency, but the total
2 payment into the Underground Storage Tank Fund under this Act,
3 the Use Tax Act, the Service Occupation Tax Act, and the
4 Retailers' Occupation Tax Act shall not exceed \$18,000,000 in
5 any State fiscal year. As used in this paragraph, the "average
6 monthly deficit" shall be equal to the difference between the
7 average monthly claims for payment by the fund and the average
8 monthly revenues deposited into the fund, excluding payments
9 made pursuant to this paragraph.

10 Beginning July 1, 2015, of the remainder of the moneys
11 received by the Department under the Use Tax Act, this Act, the
12 Service Occupation Tax Act, and the Retailers' Occupation Tax
13 Act, each month the Department shall deposit \$500,000 into the
14 State Crime Laboratory Fund.

15 Of the remainder of the moneys received by the Department
16 pursuant to this Act, (a) 1.75% thereof shall be paid into the
17 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
18 and after July 1, 1989, 3.8% thereof shall be paid into the
19 Build Illinois Fund; provided, however, that if in any fiscal
20 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
21 may be, of the moneys received by the Department and required
22 to be paid into the Build Illinois Fund pursuant to Section 3
23 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
24 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
25 Service Occupation Tax Act, such Acts being hereinafter called
26 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case

1 may be, of moneys being hereinafter called the "Tax Act
2 Amount", and (2) the amount transferred to the Build Illinois
3 Fund from the State and Local Sales Tax Reform Fund shall be
4 less than the Annual Specified Amount (as defined in Section 3
5 of the Retailers' Occupation Tax Act), an amount equal to the
6 difference shall be immediately paid into the Build Illinois
7 Fund from other moneys received by the Department pursuant to
8 the Tax Acts; and further provided, that if on the last
9 business day of any month the sum of (1) the Tax Act Amount
10 required to be deposited into the Build Illinois Bond Account
11 in the Build Illinois Fund during such month and (2) the amount
12 transferred during such month to the Build Illinois Fund from
13 the State and Local Sales Tax Reform Fund shall have been less
14 than 1/12 of the Annual Specified Amount, an amount equal to
15 the difference shall be immediately paid into the Build
16 Illinois Fund from other moneys received by the Department
17 pursuant to the Tax Acts; and, further provided, that in no
18 event shall the payments required under the preceding proviso
19 result in aggregate payments into the Build Illinois Fund
20 pursuant to this clause (b) for any fiscal year in excess of
21 the greater of (i) the Tax Act Amount or (ii) the Annual
22 Specified Amount for such fiscal year; and, further provided,
23 that the amounts payable into the Build Illinois Fund under
24 this clause (b) shall be payable only until such time as the
25 aggregate amount on deposit under each trust indenture securing
26 Bonds issued and outstanding pursuant to the Build Illinois

1 Bond Act is sufficient, taking into account any future
2 investment income, to fully provide, in accordance with such
3 indenture, for the defeasance of or the payment of the
4 principal of, premium, if any, and interest on the Bonds
5 secured by such indenture and on any Bonds expected to be
6 issued thereafter and all fees and costs payable with respect
7 thereto, all as certified by the Director of the Bureau of the
8 Budget (now Governor's Office of Management and Budget). If on
9 the last business day of any month in which Bonds are
10 outstanding pursuant to the Build Illinois Bond Act, the
11 aggregate of the moneys deposited in the Build Illinois Bond
12 Account in the Build Illinois Fund in such month shall be less
13 than the amount required to be transferred in such month from
14 the Build Illinois Bond Account to the Build Illinois Bond
15 Retirement and Interest Fund pursuant to Section 13 of the
16 Build Illinois Bond Act, an amount equal to such deficiency
17 shall be immediately paid from other moneys received by the
18 Department pursuant to the Tax Acts to the Build Illinois Fund;
19 provided, however, that any amounts paid to the Build Illinois
20 Fund in any fiscal year pursuant to this sentence shall be
21 deemed to constitute payments pursuant to clause (b) of the
22 preceding sentence and shall reduce the amount otherwise
23 payable for such fiscal year pursuant to clause (b) of the
24 preceding sentence. The moneys received by the Department
25 pursuant to this Act and required to be deposited into the
26 Build Illinois Fund are subject to the pledge, claim and charge

1 set forth in Section 12 of the Build Illinois Bond Act.

2 Subject to payment of amounts into the Build Illinois Fund
 3 as provided in the preceding paragraph or in any amendment
 4 thereto hereafter enacted, the following specified monthly
 5 installment of the amount requested in the certificate of the
 6 Chairman of the Metropolitan Pier and Exposition Authority
 7 provided under Section 8.25f of the State Finance Act, but not
 8 in excess of the sums designated as "Total Deposit", shall be
 9 deposited in the aggregate from collections under Section 9 of
 10 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
 11 9 of the Service Occupation Tax Act, and Section 3 of the
 12 Retailers' Occupation Tax Act into the McCormick Place
 13 Expansion Project Fund in the specified fiscal years.

	Fiscal Year	Total Deposit
15	1993	\$0
16	1994	53,000,000
17	1995	58,000,000
18	1996	61,000,000
19	1997	64,000,000
20	1998	68,000,000
21	1999	71,000,000
22	2000	75,000,000
23	2001	80,000,000
24	2002	93,000,000
25	2003	99,000,000

1	2004	103,000,000
2	2005	108,000,000
3	2006	113,000,000
4	2007	119,000,000
5	2008	126,000,000
6	2009	132,000,000
7	2010	139,000,000
8	2011	146,000,000
9	2012	153,000,000
10	2013	161,000,000
11	2014	170,000,000
12	2015	179,000,000
13	2016	189,000,000
14	2017	199,000,000
15	2018	210,000,000
16	2019	221,000,000
17	2020	233,000,000
18	2021	246,000,000
19	2022	260,000,000
20	2023	275,000,000
21	2024	275,000,000
22	2025	275,000,000
23	2026	279,000,000
24	2027	292,000,000
25	2028	307,000,000
26	2029	322,000,000

1	2030	338,000,000
2	2031	350,000,000
3	2032	350,000,000

4 and

5 each fiscal year

6 thereafter that bonds

7 are outstanding under

8 Section 13.2 of the

9 Metropolitan Pier and

10 Exposition Authority Act,

11 but not after fiscal year 2060.

12 Beginning July 20, 1993 and in each month of each fiscal
13 year thereafter, one-eighth of the amount requested in the
14 certificate of the Chairman of the Metropolitan Pier and
15 Exposition Authority for that fiscal year, less the amount
16 deposited into the McCormick Place Expansion Project Fund by
17 the State Treasurer in the respective month under subsection
18 (g) of Section 13 of the Metropolitan Pier and Exposition
19 Authority Act, plus cumulative deficiencies in the deposits
20 required under this Section for previous months and years,
21 shall be deposited into the McCormick Place Expansion Project
22 Fund, until the full amount requested for the fiscal year, but
23 not in excess of the amount specified above as "Total Deposit",
24 has been deposited.

25 Subject to payment of amounts into the Build Illinois Fund
26 and the McCormick Place Expansion Project Fund pursuant to the

1 preceding paragraphs or in any amendments thereto hereafter
2 enacted, beginning July 1, 1993 and ending on September 30,
3 2013, the Department shall each month pay into the Illinois Tax
4 Increment Fund 0.27% of 80% of the net revenue realized for the
5 preceding month from the 6.25% general rate on the selling
6 price of tangible personal property.

7 Subject to payment of amounts into the Build Illinois Fund
8 and the McCormick Place Expansion Project Fund pursuant to the
9 preceding paragraphs or in any amendments thereto hereafter
10 enacted, beginning with the receipt of the first report of
11 taxes paid by an eligible business and continuing for a 25-year
12 period, the Department shall each month pay into the Energy
13 Infrastructure Fund 80% of the net revenue realized from the
14 6.25% general rate on the selling price of Illinois-mined coal
15 that was sold to an eligible business. For purposes of this
16 paragraph, the term "eligible business" means a new electric
17 generating facility certified pursuant to Section 605-332 of
18 the Department of Commerce and Economic Opportunity Law of the
19 Civil Administrative Code of Illinois.

20 Subject to payment of amounts into the Build Illinois Fund,
21 the McCormick Place Expansion Project Fund, the Illinois Tax
22 Increment Fund, and the Energy Infrastructure Fund pursuant to
23 the preceding paragraphs or in any amendments to this Section
24 hereafter enacted, beginning on the first day of the first
25 calendar month to occur on or after August 26, 2014 (the
26 effective date of Public Act 98-1098), each month, from the

1 collections made under Section 9 of the Use Tax Act, Section 9
2 of the Service Use Tax Act, Section 9 of the Service Occupation
3 Tax Act, and Section 3 of the Retailers' Occupation Tax Act,
4 the Department shall pay into the Tax Compliance and
5 Administration Fund, to be used, subject to appropriation, to
6 fund additional auditors and compliance personnel at the
7 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
8 the cash receipts collected during the preceding fiscal year by
9 the Audit Bureau of the Department under the Use Tax Act, the
10 Service Use Tax Act, the Service Occupation Tax Act, the
11 Retailers' Occupation Tax Act, and associated local occupation
12 and use taxes administered by the Department.

13 Subject to payments of amounts into the Build Illinois
14 Fund, the McCormick Place Expansion Project Fund, the Illinois
15 Tax Increment Fund, the Energy Infrastructure Fund, and the Tax
16 Compliance and Administration Fund as provided in this Section,
17 beginning on July 1, 2018 the Department shall pay each month
18 into the Downstate Public Transportation Fund the moneys
19 required to be so paid under Section 2-3 of the Downstate
20 Public Transportation Act.

21 Of the remainder of the moneys received by the Department
22 pursuant to this Act, 75% thereof shall be paid into the
23 General Revenue Fund of the State Treasury and 25% shall be
24 reserved in a special account and used only for the transfer to
25 the Common School Fund as part of the monthly transfer from the
26 General Revenue Fund in accordance with Section 8a of the State

1 Finance Act.

2 As soon as possible after the first day of each month, upon
3 certification of the Department of Revenue, the Comptroller
4 shall order transferred and the Treasurer shall transfer from
5 the General Revenue Fund to the Motor Fuel Tax Fund an amount
6 equal to 1.7% of 80% of the net revenue realized under this Act
7 for the second preceding month. Beginning April 1, 2000, this
8 transfer is no longer required and shall not be made.

9 Net revenue realized for a month shall be the revenue
10 collected by the State pursuant to this Act, less the amount
11 paid out during that month as refunds to taxpayers for
12 overpayment of liability.

13 (Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16;
14 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff.
15 8-14-18; 100-1171, eff. 1-4-19.)

16 Section 900-18. The Service Occupation Tax Act is amended
17 by changing Section 9 as follows:

18 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

19 Sec. 9. Each serviceman required or authorized to collect
20 the tax herein imposed shall pay to the Department the amount
21 of such tax at the time when he is required to file his return
22 for the period during which such tax was collectible, less a
23 discount of 2.1% prior to January 1, 1990, and 1.75% on and
24 after January 1, 1990, or \$5 per calendar year, whichever is

1 greater, which is allowed to reimburse the serviceman for
2 expenses incurred in collecting the tax, keeping records,
3 preparing and filing returns, remitting the tax and supplying
4 data to the Department on request. The discount allowed under
5 this Section is allowed only for returns that are filed in the
6 manner required by this Act. The Department may disallow the
7 discount for servicemen whose certificate of registration is
8 revoked at the time the return is filed, but only if the
9 Department's decision to revoke the certificate of
10 registration has become final.

11 Where such tangible personal property is sold under a
12 conditional sales contract, or under any other form of sale
13 wherein the payment of the principal sum, or a part thereof, is
14 extended beyond the close of the period for which the return is
15 filed, the serviceman, in collecting the tax may collect, for
16 each tax return period, only the tax applicable to the part of
17 the selling price actually received during such tax return
18 period.

19 Except as provided hereinafter in this Section, on or
20 before the twentieth day of each calendar month, such
21 serviceman shall file a return for the preceding calendar month
22 in accordance with reasonable rules and regulations to be
23 promulgated by the Department of Revenue. Such return shall be
24 filed on a form prescribed by the Department and shall contain
25 such information as the Department may reasonably require. On
26 and after January 1, 2018, with respect to servicemen whose

1 annual gross receipts average \$20,000 or more, all returns
2 required to be filed pursuant to this Act shall be filed
3 electronically. Servicemen who demonstrate that they do not
4 have access to the Internet or demonstrate hardship in filing
5 electronically may petition the Department to waive the
6 electronic filing requirement.

7 The Department may require returns to be filed on a
8 quarterly basis. If so required, a return for each calendar
9 quarter shall be filed on or before the twentieth day of the
10 calendar month following the end of such calendar quarter. The
11 taxpayer shall also file a return with the Department for each
12 of the first two months of each calendar quarter, on or before
13 the twentieth day of the following calendar month, stating:

- 14 1. The name of the seller;
- 15 2. The address of the principal place of business from
16 which he engages in business as a serviceman in this State;
- 17 3. The total amount of taxable receipts received by him
18 during the preceding calendar month, including receipts
19 from charge and time sales, but less all deductions allowed
20 by law;
- 21 4. The amount of credit provided in Section 2d of this
22 Act;
- 23 5. The amount of tax due;
- 24 5-5. The signature of the taxpayer; and
- 25 6. Such other reasonable information as the Department
26 may require.

1 If a taxpayer fails to sign a return within 30 days after
2 the proper notice and demand for signature by the Department,
3 the return shall be considered valid and any amount shown to be
4 due on the return shall be deemed assessed.

5 Notwithstanding any other provision of this Act to the
6 contrary, servicemen subject to tax on cannabis shall file all
7 cannabis tax returns and shall make all cannabis tax payments
8 by electronic means in the manner and form required by the
9 Department.

10 Prior to October 1, 2003, and on and after September 1,
11 2004 a serviceman may accept a Manufacturer's Purchase Credit
12 certification from a purchaser in satisfaction of Service Use
13 Tax as provided in Section 3-70 of the Service Use Tax Act if
14 the purchaser provides the appropriate documentation as
15 required by Section 3-70 of the Service Use Tax Act. A
16 Manufacturer's Purchase Credit certification, accepted prior
17 to October 1, 2003 or on or after September 1, 2004 by a
18 serviceman as provided in Section 3-70 of the Service Use Tax
19 Act, may be used by that serviceman to satisfy Service
20 Occupation Tax liability in the amount claimed in the
21 certification, not to exceed 6.25% of the receipts subject to
22 tax from a qualifying purchase. A Manufacturer's Purchase
23 Credit reported on any original or amended return filed under
24 this Act after October 20, 2003 for reporting periods prior to
25 September 1, 2004 shall be disallowed. Manufacturer's Purchase
26 Credit reported on annual returns due on or after January 1,

1 2005 will be disallowed for periods prior to September 1, 2004.
2 No Manufacturer's Purchase Credit may be used after September
3 30, 2003 through August 31, 2004 to satisfy any tax liability
4 imposed under this Act, including any audit liability.

5 If the serviceman's average monthly tax liability to the
6 Department does not exceed \$200, the Department may authorize
7 his returns to be filed on a quarter annual basis, with the
8 return for January, February and March of a given year being
9 due by April 20 of such year; with the return for April, May
10 and June of a given year being due by July 20 of such year; with
11 the return for July, August and September of a given year being
12 due by October 20 of such year, and with the return for
13 October, November and December of a given year being due by
14 January 20 of the following year.

15 If the serviceman's average monthly tax liability to the
16 Department does not exceed \$50, the Department may authorize
17 his returns to be filed on an annual basis, with the return for
18 a given year being due by January 20 of the following year.

19 Such quarter annual and annual returns, as to form and
20 substance, shall be subject to the same requirements as monthly
21 returns.

22 Notwithstanding any other provision in this Act concerning
23 the time within which a serviceman may file his return, in the
24 case of any serviceman who ceases to engage in a kind of
25 business which makes him responsible for filing returns under
26 this Act, such serviceman shall file a final return under this

1 Act with the Department not more than 1 month after
2 discontinuing such business.

3 Beginning October 1, 1993, a taxpayer who has an average
4 monthly tax liability of \$150,000 or more shall make all
5 payments required by rules of the Department by electronic
6 funds transfer. Beginning October 1, 1994, a taxpayer who has
7 an average monthly tax liability of \$100,000 or more shall make
8 all payments required by rules of the Department by electronic
9 funds transfer. Beginning October 1, 1995, a taxpayer who has
10 an average monthly tax liability of \$50,000 or more shall make
11 all payments required by rules of the Department by electronic
12 funds transfer. Beginning October 1, 2000, a taxpayer who has
13 an annual tax liability of \$200,000 or more shall make all
14 payments required by rules of the Department by electronic
15 funds transfer. The term "annual tax liability" shall be the
16 sum of the taxpayer's liabilities under this Act, and under all
17 other State and local occupation and use tax laws administered
18 by the Department, for the immediately preceding calendar year.
19 The term "average monthly tax liability" means the sum of the
20 taxpayer's liabilities under this Act, and under all other
21 State and local occupation and use tax laws administered by the
22 Department, for the immediately preceding calendar year
23 divided by 12. Beginning on October 1, 2002, a taxpayer who has
24 a tax liability in the amount set forth in subsection (b) of
25 Section 2505-210 of the Department of Revenue Law shall make
26 all payments required by rules of the Department by electronic

1 funds transfer.

2 Before August 1 of each year beginning in 1993, the
3 Department shall notify all taxpayers required to make payments
4 by electronic funds transfer. All taxpayers required to make
5 payments by electronic funds transfer shall make those payments
6 for a minimum of one year beginning on October 1.

7 Any taxpayer not required to make payments by electronic
8 funds transfer may make payments by electronic funds transfer
9 with the permission of the Department.

10 All taxpayers required to make payment by electronic funds
11 transfer and any taxpayers authorized to voluntarily make
12 payments by electronic funds transfer shall make those payments
13 in the manner authorized by the Department.

14 The Department shall adopt such rules as are necessary to
15 effectuate a program of electronic funds transfer and the
16 requirements of this Section.

17 Where a serviceman collects the tax with respect to the
18 selling price of tangible personal property which he sells and
19 the purchaser thereafter returns such tangible personal
20 property and the serviceman refunds the selling price thereof
21 to the purchaser, such serviceman shall also refund, to the
22 purchaser, the tax so collected from the purchaser. When filing
23 his return for the period in which he refunds such tax to the
24 purchaser, the serviceman may deduct the amount of the tax so
25 refunded by him to the purchaser from any other Service
26 Occupation Tax, Service Use Tax, Retailers' Occupation Tax or

1 Use Tax which such serviceman may be required to pay or remit
2 to the Department, as shown by such return, provided that the
3 amount of the tax to be deducted shall previously have been
4 remitted to the Department by such serviceman. If the
5 serviceman shall not previously have remitted the amount of
6 such tax to the Department, he shall be entitled to no
7 deduction hereunder upon refunding such tax to the purchaser.

8 If experience indicates such action to be practicable, the
9 Department may prescribe and furnish a combination or joint
10 return which will enable servicemen, who are required to file
11 returns hereunder and also under the Retailers' Occupation Tax
12 Act, the Use Tax Act or the Service Use Tax Act, to furnish all
13 the return information required by all said Acts on the one
14 form.

15 Where the serviceman has more than one business registered
16 with the Department under separate registrations hereunder,
17 such serviceman shall file separate returns for each registered
18 business.

19 Beginning January 1, 1990, each month the Department shall
20 pay into the Local Government Tax Fund the revenue realized for
21 the preceding month from the 1% tax imposed under this Act.

22 Beginning January 1, 1990, each month the Department shall
23 pay into the County and Mass Transit District Fund 4% of the
24 revenue realized for the preceding month from the 6.25% general
25 rate.

26 Beginning August 1, 2000, each month the Department shall

1 pay into the County and Mass Transit District Fund 20% of the
2 net revenue realized for the preceding month from the 1.25%
3 rate on the selling price of motor fuel and gasohol.

4 Beginning January 1, 1990, each month the Department shall
5 pay into the Local Government Tax Fund 16% of the revenue
6 realized for the preceding month from the 6.25% general rate on
7 transfers of tangible personal property.

8 Beginning August 1, 2000, each month the Department shall
9 pay into the Local Government Tax Fund 80% of the net revenue
10 realized for the preceding month from the 1.25% rate on the
11 selling price of motor fuel and gasohol.

12 Beginning October 1, 2009, each month the Department shall
13 pay into the Capital Projects Fund an amount that is equal to
14 an amount estimated by the Department to represent 80% of the
15 net revenue realized for the preceding month from the sale of
16 candy, grooming and hygiene products, and soft drinks that had
17 been taxed at a rate of 1% prior to September 1, 2009 but that
18 are now taxed at 6.25%.

19 Beginning July 1, 2013, each month the Department shall pay
20 into the Underground Storage Tank Fund from the proceeds
21 collected under this Act, the Use Tax Act, the Service Use Tax
22 Act, and the Retailers' Occupation Tax Act an amount equal to
23 the average monthly deficit in the Underground Storage Tank
24 Fund during the prior year, as certified annually by the
25 Illinois Environmental Protection Agency, but the total
26 payment into the Underground Storage Tank Fund under this Act,

1 the Use Tax Act, the Service Use Tax Act, and the Retailers'
2 Occupation Tax Act shall not exceed \$18,000,000 in any State
3 fiscal year. As used in this paragraph, the "average monthly
4 deficit" shall be equal to the difference between the average
5 monthly claims for payment by the fund and the average monthly
6 revenues deposited into the fund, excluding payments made
7 pursuant to this paragraph.

8 Beginning July 1, 2015, of the remainder of the moneys
9 received by the Department under the Use Tax Act, the Service
10 Use Tax Act, this Act, and the Retailers' Occupation Tax Act,
11 each month the Department shall deposit \$500,000 into the State
12 Crime Laboratory Fund.

13 Of the remainder of the moneys received by the Department
14 pursuant to this Act, (a) 1.75% thereof shall be paid into the
15 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
16 and after July 1, 1989, 3.8% thereof shall be paid into the
17 Build Illinois Fund; provided, however, that if in any fiscal
18 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
19 may be, of the moneys received by the Department and required
20 to be paid into the Build Illinois Fund pursuant to Section 3
21 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
22 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
23 Service Occupation Tax Act, such Acts being hereinafter called
24 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case
25 may be, of moneys being hereinafter called the "Tax Act
26 Amount", and (2) the amount transferred to the Build Illinois

1 Fund from the State and Local Sales Tax Reform Fund shall be
2 less than the Annual Specified Amount (as defined in Section 3
3 of the Retailers' Occupation Tax Act), an amount equal to the
4 difference shall be immediately paid into the Build Illinois
5 Fund from other moneys received by the Department pursuant to
6 the Tax Acts; and further provided, that if on the last
7 business day of any month the sum of (1) the Tax Act Amount
8 required to be deposited into the Build Illinois Account in the
9 Build Illinois Fund during such month and (2) the amount
10 transferred during such month to the Build Illinois Fund from
11 the State and Local Sales Tax Reform Fund shall have been less
12 than 1/12 of the Annual Specified Amount, an amount equal to
13 the difference shall be immediately paid into the Build
14 Illinois Fund from other moneys received by the Department
15 pursuant to the Tax Acts; and, further provided, that in no
16 event shall the payments required under the preceding proviso
17 result in aggregate payments into the Build Illinois Fund
18 pursuant to this clause (b) for any fiscal year in excess of
19 the greater of (i) the Tax Act Amount or (ii) the Annual
20 Specified Amount for such fiscal year; and, further provided,
21 that the amounts payable into the Build Illinois Fund under
22 this clause (b) shall be payable only until such time as the
23 aggregate amount on deposit under each trust indenture securing
24 Bonds issued and outstanding pursuant to the Build Illinois
25 Bond Act is sufficient, taking into account any future
26 investment income, to fully provide, in accordance with such

1 indenture, for the defeasance of or the payment of the
2 principal of, premium, if any, and interest on the Bonds
3 secured by such indenture and on any Bonds expected to be
4 issued thereafter and all fees and costs payable with respect
5 thereto, all as certified by the Director of the Bureau of the
6 Budget (now Governor's Office of Management and Budget). If on
7 the last business day of any month in which Bonds are
8 outstanding pursuant to the Build Illinois Bond Act, the
9 aggregate of the moneys deposited in the Build Illinois Bond
10 Account in the Build Illinois Fund in such month shall be less
11 than the amount required to be transferred in such month from
12 the Build Illinois Bond Account to the Build Illinois Bond
13 Retirement and Interest Fund pursuant to Section 13 of the
14 Build Illinois Bond Act, an amount equal to such deficiency
15 shall be immediately paid from other moneys received by the
16 Department pursuant to the Tax Acts to the Build Illinois Fund;
17 provided, however, that any amounts paid to the Build Illinois
18 Fund in any fiscal year pursuant to this sentence shall be
19 deemed to constitute payments pursuant to clause (b) of the
20 preceding sentence and shall reduce the amount otherwise
21 payable for such fiscal year pursuant to clause (b) of the
22 preceding sentence. The moneys received by the Department
23 pursuant to this Act and required to be deposited into the
24 Build Illinois Fund are subject to the pledge, claim and charge
25 set forth in Section 12 of the Build Illinois Bond Act.

26 Subject to payment of amounts into the Build Illinois Fund

1 as provided in the preceding paragraph or in any amendment
 2 thereto hereafter enacted, the following specified monthly
 3 installment of the amount requested in the certificate of the
 4 Chairman of the Metropolitan Pier and Exposition Authority
 5 provided under Section 8.25f of the State Finance Act, but not
 6 in excess of the sums designated as "Total Deposit", shall be
 7 deposited in the aggregate from collections under Section 9 of
 8 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
 9 of the Service Occupation Tax Act, and Section 3 of the
 10 Retailers' Occupation Tax Act into the McCormick Place
 11 Expansion Project Fund in the specified fiscal years.

12	Fiscal Year	Total
		Deposit
13	1993	\$0
14	1994	53,000,000
15	1995	58,000,000
16	1996	61,000,000
17	1997	64,000,000
18	1998	68,000,000
19	1999	71,000,000
20	2000	75,000,000
21	2001	80,000,000
22	2002	93,000,000
23	2003	99,000,000
24	2004	103,000,000
25	2005	108,000,000

1	2006	113,000,000
2	2007	119,000,000
3	2008	126,000,000
4	2009	132,000,000
5	2010	139,000,000
6	2011	146,000,000
7	2012	153,000,000
8	2013	161,000,000
9	2014	170,000,000
10	2015	179,000,000
11	2016	189,000,000
12	2017	199,000,000
13	2018	210,000,000
14	2019	221,000,000
15	2020	233,000,000
16	2021	246,000,000
17	2022	260,000,000
18	2023	275,000,000
19	2024	275,000,000
20	2025	275,000,000
21	2026	279,000,000
22	2027	292,000,000
23	2028	307,000,000
24	2029	322,000,000
25	2030	338,000,000
26	2031	350,000,000

1 2032 350,000,000
2 and
3 each fiscal year
4 thereafter that bonds
5 are outstanding under
6 Section 13.2 of the
7 Metropolitan Pier and
8 Exposition Authority Act,
9 but not after fiscal year 2060.

10 Beginning July 20, 1993 and in each month of each fiscal
11 year thereafter, one-eighth of the amount requested in the
12 certificate of the Chairman of the Metropolitan Pier and
13 Exposition Authority for that fiscal year, less the amount
14 deposited into the McCormick Place Expansion Project Fund by
15 the State Treasurer in the respective month under subsection
16 (g) of Section 13 of the Metropolitan Pier and Exposition
17 Authority Act, plus cumulative deficiencies in the deposits
18 required under this Section for previous months and years,
19 shall be deposited into the McCormick Place Expansion Project
20 Fund, until the full amount requested for the fiscal year, but
21 not in excess of the amount specified above as "Total Deposit",
22 has been deposited.

23 Subject to payment of amounts into the Build Illinois Fund
24 and the McCormick Place Expansion Project Fund pursuant to the
25 preceding paragraphs or in any amendments thereto hereafter
26 enacted, beginning July 1, 1993 and ending on September 30,

1 2013, the Department shall each month pay into the Illinois Tax
2 Increment Fund 0.27% of 80% of the net revenue realized for the
3 preceding month from the 6.25% general rate on the selling
4 price of tangible personal property.

5 Subject to payment of amounts into the Build Illinois Fund
6 and the McCormick Place Expansion Project Fund pursuant to the
7 preceding paragraphs or in any amendments thereto hereafter
8 enacted, beginning with the receipt of the first report of
9 taxes paid by an eligible business and continuing for a 25-year
10 period, the Department shall each month pay into the Energy
11 Infrastructure Fund 80% of the net revenue realized from the
12 6.25% general rate on the selling price of Illinois-mined coal
13 that was sold to an eligible business. For purposes of this
14 paragraph, the term "eligible business" means a new electric
15 generating facility certified pursuant to Section 605-332 of
16 the Department of Commerce and Economic Opportunity Law of the
17 Civil Administrative Code of Illinois.

18 Subject to payment of amounts into the Build Illinois Fund,
19 the McCormick Place Expansion Project Fund, the Illinois Tax
20 Increment Fund, and the Energy Infrastructure Fund pursuant to
21 the preceding paragraphs or in any amendments to this Section
22 hereafter enacted, beginning on the first day of the first
23 calendar month to occur on or after August 26, 2014 (the
24 effective date of Public Act 98-1098), each month, from the
25 collections made under Section 9 of the Use Tax Act, Section 9
26 of the Service Use Tax Act, Section 9 of the Service Occupation

1 Tax Act, and Section 3 of the Retailers' Occupation Tax Act,
2 the Department shall pay into the Tax Compliance and
3 Administration Fund, to be used, subject to appropriation, to
4 fund additional auditors and compliance personnel at the
5 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
6 the cash receipts collected during the preceding fiscal year by
7 the Audit Bureau of the Department under the Use Tax Act, the
8 Service Use Tax Act, the Service Occupation Tax Act, the
9 Retailers' Occupation Tax Act, and associated local occupation
10 and use taxes administered by the Department.

11 Subject to payments of amounts into the Build Illinois
12 Fund, the McCormick Place Expansion Project Fund, the Illinois
13 Tax Increment Fund, the Energy Infrastructure Fund, and the Tax
14 Compliance and Administration Fund as provided in this Section,
15 beginning on July 1, 2018 the Department shall pay each month
16 into the Downstate Public Transportation Fund the moneys
17 required to be so paid under Section 2-3 of the Downstate
18 Public Transportation Act.

19 Of the remainder of the moneys received by the Department
20 pursuant to this Act, 75% shall be paid into the General
21 Revenue Fund of the State Treasury and 25% shall be reserved in
22 a special account and used only for the transfer to the Common
23 School Fund as part of the monthly transfer from the General
24 Revenue Fund in accordance with Section 8a of the State Finance
25 Act.

26 The Department may, upon separate written notice to a

1 taxpayer, require the taxpayer to prepare and file with the
2 Department on a form prescribed by the Department within not
3 less than 60 days after receipt of the notice an annual
4 information return for the tax year specified in the notice.
5 Such annual return to the Department shall include a statement
6 of gross receipts as shown by the taxpayer's last Federal
7 income tax return. If the total receipts of the business as
8 reported in the Federal income tax return do not agree with the
9 gross receipts reported to the Department of Revenue for the
10 same period, the taxpayer shall attach to his annual return a
11 schedule showing a reconciliation of the 2 amounts and the
12 reasons for the difference. The taxpayer's annual return to the
13 Department shall also disclose the cost of goods sold by the
14 taxpayer during the year covered by such return, opening and
15 closing inventories of such goods for such year, cost of goods
16 used from stock or taken from stock and given away by the
17 taxpayer during such year, pay roll information of the
18 taxpayer's business during such year and any additional
19 reasonable information which the Department deems would be
20 helpful in determining the accuracy of the monthly, quarterly
21 or annual returns filed by such taxpayer as hereinbefore
22 provided for in this Section.

23 If the annual information return required by this Section
24 is not filed when and as required, the taxpayer shall be liable
25 as follows:

26 (i) Until January 1, 1994, the taxpayer shall be liable

1 for a penalty equal to 1/6 of 1% of the tax due from such
2 taxpayer under this Act during the period to be covered by
3 the annual return for each month or fraction of a month
4 until such return is filed as required, the penalty to be
5 assessed and collected in the same manner as any other
6 penalty provided for in this Act.

7 (ii) On and after January 1, 1994, the taxpayer shall
8 be liable for a penalty as described in Section 3-4 of the
9 Uniform Penalty and Interest Act.

10 The chief executive officer, proprietor, owner or highest
11 ranking manager shall sign the annual return to certify the
12 accuracy of the information contained therein. Any person who
13 willfully signs the annual return containing false or
14 inaccurate information shall be guilty of perjury and punished
15 accordingly. The annual return form prescribed by the
16 Department shall include a warning that the person signing the
17 return may be liable for perjury.

18 The foregoing portion of this Section concerning the filing
19 of an annual information return shall not apply to a serviceman
20 who is not required to file an income tax return with the
21 United States Government.

22 As soon as possible after the first day of each month, upon
23 certification of the Department of Revenue, the Comptroller
24 shall order transferred and the Treasurer shall transfer from
25 the General Revenue Fund to the Motor Fuel Tax Fund an amount
26 equal to 1.7% of 80% of the net revenue realized under this Act

1 for the second preceding month. Beginning April 1, 2000, this
2 transfer is no longer required and shall not be made.

3 Net revenue realized for a month shall be the revenue
4 collected by the State pursuant to this Act, less the amount
5 paid out during that month as refunds to taxpayers for
6 overpayment of liability.

7 For greater simplicity of administration, it shall be
8 permissible for manufacturers, importers and wholesalers whose
9 products are sold by numerous servicemen in Illinois, and who
10 wish to do so, to assume the responsibility for accounting and
11 paying to the Department all tax accruing under this Act with
12 respect to such sales, if the servicemen who are affected do
13 not make written objection to the Department to this
14 arrangement.

15 (Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16;
16 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff.
17 8-14-18; 100-1171, eff. 1-4-19.)

18 Section 900-19. The Retailers' Occupation Tax Act is
19 amended by changing Section 3 as follows:

20 (35 ILCS 120/3) (from Ch. 120, par. 442)

21 Sec. 3. Except as provided in this Section, on or before
22 the twentieth day of each calendar month, every person engaged
23 in the business of selling tangible personal property at retail
24 in this State during the preceding calendar month shall file a

1 return with the Department, stating:

2 1. The name of the seller;

3 2. His residence address and the address of his
4 principal place of business and the address of the
5 principal place of business (if that is a different
6 address) from which he engages in the business of selling
7 tangible personal property at retail in this State;

8 3. Total amount of receipts received by him during the
9 preceding calendar month or quarter, as the case may be,
10 from sales of tangible personal property, and from services
11 furnished, by him during such preceding calendar month or
12 quarter;

13 4. Total amount received by him during the preceding
14 calendar month or quarter on charge and time sales of
15 tangible personal property, and from services furnished,
16 by him prior to the month or quarter for which the return
17 is filed;

18 5. Deductions allowed by law;

19 6. Gross receipts which were received by him during the
20 preceding calendar month or quarter and upon the basis of
21 which the tax is imposed;

22 7. The amount of credit provided in Section 2d of this
23 Act;

24 8. The amount of tax due;

25 9. The signature of the taxpayer; and

26 10. Such other reasonable information as the

1 Department may require.

2 On and after January 1, 2018, except for returns for motor
3 vehicles, watercraft, aircraft, and trailers that are required
4 to be registered with an agency of this State, with respect to
5 retailers whose annual gross receipts average \$20,000 or more,
6 all returns required to be filed pursuant to this Act shall be
7 filed electronically. Retailers who demonstrate that they do
8 not have access to the Internet or demonstrate hardship in
9 filing electronically may petition the Department to waive the
10 electronic filing requirement.

11 If a taxpayer fails to sign a return within 30 days after
12 the proper notice and demand for signature by the Department,
13 the return shall be considered valid and any amount shown to be
14 due on the return shall be deemed assessed.

15 Each return shall be accompanied by the statement of
16 prepaid tax issued pursuant to Section 2e for which credit is
17 claimed.

18 Prior to October 1, 2003, and on and after September 1,
19 2004 a retailer may accept a Manufacturer's Purchase Credit
20 certification from a purchaser in satisfaction of Use Tax as
21 provided in Section 3-85 of the Use Tax Act if the purchaser
22 provides the appropriate documentation as required by Section
23 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
24 certification, accepted by a retailer prior to October 1, 2003
25 and on and after September 1, 2004 as provided in Section 3-85
26 of the Use Tax Act, may be used by that retailer to satisfy

1 Retailers' Occupation Tax liability in the amount claimed in
2 the certification, not to exceed 6.25% of the receipts subject
3 to tax from a qualifying purchase. A Manufacturer's Purchase
4 Credit reported on any original or amended return filed under
5 this Act after October 20, 2003 for reporting periods prior to
6 September 1, 2004 shall be disallowed. Manufacturer's
7 Purchaser Credit reported on annual returns due on or after
8 January 1, 2005 will be disallowed for periods prior to
9 September 1, 2004. No Manufacturer's Purchase Credit may be
10 used after September 30, 2003 through August 31, 2004 to
11 satisfy any tax liability imposed under this Act, including any
12 audit liability.

13 The Department may require returns to be filed on a
14 quarterly basis. If so required, a return for each calendar
15 quarter shall be filed on or before the twentieth day of the
16 calendar month following the end of such calendar quarter. The
17 taxpayer shall also file a return with the Department for each
18 of the first two months of each calendar quarter, on or before
19 the twentieth day of the following calendar month, stating:

20 1. The name of the seller;

21 2. The address of the principal place of business from
22 which he engages in the business of selling tangible
23 personal property at retail in this State;

24 3. The total amount of taxable receipts received by him
25 during the preceding calendar month from sales of tangible
26 personal property by him during such preceding calendar

1 month, including receipts from charge and time sales, but
2 less all deductions allowed by law;

3 4. The amount of credit provided in Section 2d of this
4 Act;

5 5. The amount of tax due; and

6 6. Such other reasonable information as the Department
7 may require.

8 Beginning on October 1, 2003, any person who is not a
9 licensed distributor, importing distributor, or manufacturer,
10 as defined in the Liquor Control Act of 1934, but is engaged in
11 the business of selling, at retail, alcoholic liquor shall file
12 a statement with the Department of Revenue, in a format and at
13 a time prescribed by the Department, showing the total amount
14 paid for alcoholic liquor purchased during the preceding month
15 and such other information as is reasonably required by the
16 Department. The Department may adopt rules to require that this
17 statement be filed in an electronic or telephonic format. Such
18 rules may provide for exceptions from the filing requirements
19 of this paragraph. For the purposes of this paragraph, the term
20 "alcoholic liquor" shall have the meaning prescribed in the
21 Liquor Control Act of 1934.

22 Beginning on October 1, 2003, every distributor, importing
23 distributor, and manufacturer of alcoholic liquor as defined in
24 the Liquor Control Act of 1934, shall file a statement with the
25 Department of Revenue, no later than the 10th day of the month
26 for the preceding month during which transactions occurred, by

1 electronic means, showing the total amount of gross receipts
2 from the sale of alcoholic liquor sold or distributed during
3 the preceding month to purchasers; identifying the purchaser to
4 whom it was sold or distributed; the purchaser's tax
5 registration number; and such other information reasonably
6 required by the Department. A distributor, importing
7 distributor, or manufacturer of alcoholic liquor must
8 personally deliver, mail, or provide by electronic means to
9 each retailer listed on the monthly statement a report
10 containing a cumulative total of that distributor's, importing
11 distributor's, or manufacturer's total sales of alcoholic
12 liquor to that retailer no later than the 10th day of the month
13 for the preceding month during which the transaction occurred.
14 The distributor, importing distributor, or manufacturer shall
15 notify the retailer as to the method by which the distributor,
16 importing distributor, or manufacturer will provide the sales
17 information. If the retailer is unable to receive the sales
18 information by electronic means, the distributor, importing
19 distributor, or manufacturer shall furnish the sales
20 information by personal delivery or by mail. For purposes of
21 this paragraph, the term "electronic means" includes, but is
22 not limited to, the use of a secure Internet website, e-mail,
23 or facsimile.

24 If a total amount of less than \$1 is payable, refundable or
25 creditable, such amount shall be disregarded if it is less than
26 50 cents and shall be increased to \$1 if it is 50 cents or more.

1 Notwithstanding any other provision of this Act to the
2 contrary, retailers subject to tax on cannabis shall file all
3 cannabis tax returns and shall make all cannabis tax payments
4 by electronic means in the manner and form required by the
5 Department.

6 Beginning October 1, 1993, a taxpayer who has an average
7 monthly tax liability of \$150,000 or more shall make all
8 payments required by rules of the Department by electronic
9 funds transfer. Beginning October 1, 1994, a taxpayer who has
10 an average monthly tax liability of \$100,000 or more shall make
11 all payments required by rules of the Department by electronic
12 funds transfer. Beginning October 1, 1995, a taxpayer who has
13 an average monthly tax liability of \$50,000 or more shall make
14 all payments required by rules of the Department by electronic
15 funds transfer. Beginning October 1, 2000, a taxpayer who has
16 an annual tax liability of \$200,000 or more shall make all
17 payments required by rules of the Department by electronic
18 funds transfer. The term "annual tax liability" shall be the
19 sum of the taxpayer's liabilities under this Act, and under all
20 other State and local occupation and use tax laws administered
21 by the Department, for the immediately preceding calendar year.
22 The term "average monthly tax liability" shall be the sum of
23 the taxpayer's liabilities under this Act, and under all other
24 State and local occupation and use tax laws administered by the
25 Department, for the immediately preceding calendar year
26 divided by 12. Beginning on October 1, 2002, a taxpayer who has

1 a tax liability in the amount set forth in subsection (b) of
2 Section 2505-210 of the Department of Revenue Law shall make
3 all payments required by rules of the Department by electronic
4 funds transfer.

5 Before August 1 of each year beginning in 1993, the
6 Department shall notify all taxpayers required to make payments
7 by electronic funds transfer. All taxpayers required to make
8 payments by electronic funds transfer shall make those payments
9 for a minimum of one year beginning on October 1.

10 Any taxpayer not required to make payments by electronic
11 funds transfer may make payments by electronic funds transfer
12 with the permission of the Department.

13 All taxpayers required to make payment by electronic funds
14 transfer and any taxpayers authorized to voluntarily make
15 payments by electronic funds transfer shall make those payments
16 in the manner authorized by the Department.

17 The Department shall adopt such rules as are necessary to
18 effectuate a program of electronic funds transfer and the
19 requirements of this Section.

20 Any amount which is required to be shown or reported on any
21 return or other document under this Act shall, if such amount
22 is not a whole-dollar amount, be increased to the nearest
23 whole-dollar amount in any case where the fractional part of a
24 dollar is 50 cents or more, and decreased to the nearest
25 whole-dollar amount where the fractional part of a dollar is
26 less than 50 cents.

1 If the retailer is otherwise required to file a monthly
2 return and if the retailer's average monthly tax liability to
3 the Department does not exceed \$200, the Department may
4 authorize his returns to be filed on a quarter annual basis,
5 with the return for January, February and March of a given year
6 being due by April 20 of such year; with the return for April,
7 May and June of a given year being due by July 20 of such year;
8 with the return for July, August and September of a given year
9 being due by October 20 of such year, and with the return for
10 October, November and December of a given year being due by
11 January 20 of the following year.

12 If the retailer is otherwise required to file a monthly or
13 quarterly return and if the retailer's average monthly tax
14 liability with the Department does not exceed \$50, the
15 Department may authorize his returns to be filed on an annual
16 basis, with the return for a given year being due by January 20
17 of the following year.

18 Such quarter annual and annual returns, as to form and
19 substance, shall be subject to the same requirements as monthly
20 returns.

21 Notwithstanding any other provision in this Act concerning
22 the time within which a retailer may file his return, in the
23 case of any retailer who ceases to engage in a kind of business
24 which makes him responsible for filing returns under this Act,
25 such retailer shall file a final return under this Act with the
26 Department not more than one month after discontinuing such

1 business.

2 Where the same person has more than one business registered
3 with the Department under separate registrations under this
4 Act, such person may not file each return that is due as a
5 single return covering all such registered businesses, but
6 shall file separate returns for each such registered business.

7 In addition, with respect to motor vehicles, watercraft,
8 aircraft, and trailers that are required to be registered with
9 an agency of this State, except as otherwise provided in this
10 Section, every retailer selling this kind of tangible personal
11 property shall file, with the Department, upon a form to be
12 prescribed and supplied by the Department, a separate return
13 for each such item of tangible personal property which the
14 retailer sells, except that if, in the same transaction, (i) a
15 retailer of aircraft, watercraft, motor vehicles or trailers
16 transfers more than one aircraft, watercraft, motor vehicle or
17 trailer to another aircraft, watercraft, motor vehicle
18 retailer or trailer retailer for the purpose of resale or (ii)
19 a retailer of aircraft, watercraft, motor vehicles, or trailers
20 transfers more than one aircraft, watercraft, motor vehicle, or
21 trailer to a purchaser for use as a qualifying rolling stock as
22 provided in Section 2-5 of this Act, then that seller may
23 report the transfer of all aircraft, watercraft, motor vehicles
24 or trailers involved in that transaction to the Department on
25 the same uniform invoice-transaction reporting return form.
26 For purposes of this Section, "watercraft" means a Class 2,

1 Class 3, or Class 4 watercraft as defined in Section 3-2 of the
2 Boat Registration and Safety Act, a personal watercraft, or any
3 boat equipped with an inboard motor.

4 In addition, with respect to motor vehicles, watercraft,
5 aircraft, and trailers that are required to be registered with
6 an agency of this State, every person who is engaged in the
7 business of leasing or renting such items and who, in
8 connection with such business, sells any such item to a
9 retailer for the purpose of resale is, notwithstanding any
10 other provision of this Section to the contrary, authorized to
11 meet the return-filing requirement of this Act by reporting the
12 transfer of all the aircraft, watercraft, motor vehicles, or
13 trailers transferred for resale during a month to the
14 Department on the same uniform invoice-transaction reporting
15 return form on or before the 20th of the month following the
16 month in which the transfer takes place. Notwithstanding any
17 other provision of this Act to the contrary, all returns filed
18 under this paragraph must be filed by electronic means in the
19 manner and form as required by the Department.

20 Any retailer who sells only motor vehicles, watercraft,
21 aircraft, or trailers that are required to be registered with
22 an agency of this State, so that all retailers' occupation tax
23 liability is required to be reported, and is reported, on such
24 transaction reporting returns and who is not otherwise required
25 to file monthly or quarterly returns, need not file monthly or
26 quarterly returns. However, those retailers shall be required

1 to file returns on an annual basis.

2 The transaction reporting return, in the case of motor
3 vehicles or trailers that are required to be registered with an
4 agency of this State, shall be the same document as the Uniform
5 Invoice referred to in Section 5-402 of the Illinois Vehicle
6 Code and must show the name and address of the seller; the name
7 and address of the purchaser; the amount of the selling price
8 including the amount allowed by the retailer for traded-in
9 property, if any; the amount allowed by the retailer for the
10 traded-in tangible personal property, if any, to the extent to
11 which Section 1 of this Act allows an exemption for the value
12 of traded-in property; the balance payable after deducting such
13 trade-in allowance from the total selling price; the amount of
14 tax due from the retailer with respect to such transaction; the
15 amount of tax collected from the purchaser by the retailer on
16 such transaction (or satisfactory evidence that such tax is not
17 due in that particular instance, if that is claimed to be the
18 fact); the place and date of the sale; a sufficient
19 identification of the property sold; such other information as
20 is required in Section 5-402 of the Illinois Vehicle Code, and
21 such other information as the Department may reasonably
22 require.

23 The transaction reporting return in the case of watercraft
24 or aircraft must show the name and address of the seller; the
25 name and address of the purchaser; the amount of the selling
26 price including the amount allowed by the retailer for

1 traded-in property, if any; the amount allowed by the retailer
2 for the traded-in tangible personal property, if any, to the
3 extent to which Section 1 of this Act allows an exemption for
4 the value of traded-in property; the balance payable after
5 deducting such trade-in allowance from the total selling price;
6 the amount of tax due from the retailer with respect to such
7 transaction; the amount of tax collected from the purchaser by
8 the retailer on such transaction (or satisfactory evidence that
9 such tax is not due in that particular instance, if that is
10 claimed to be the fact); the place and date of the sale, a
11 sufficient identification of the property sold, and such other
12 information as the Department may reasonably require.

13 Such transaction reporting return shall be filed not later
14 than 20 days after the day of delivery of the item that is
15 being sold, but may be filed by the retailer at any time sooner
16 than that if he chooses to do so. The transaction reporting
17 return and tax remittance or proof of exemption from the
18 Illinois use tax may be transmitted to the Department by way of
19 the State agency with which, or State officer with whom the
20 tangible personal property must be titled or registered (if
21 titling or registration is required) if the Department and such
22 agency or State officer determine that this procedure will
23 expedite the processing of applications for title or
24 registration.

25 With each such transaction reporting return, the retailer
26 shall remit the proper amount of tax due (or shall submit

1 satisfactory evidence that the sale is not taxable if that is
2 the case), to the Department or its agents, whereupon the
3 Department shall issue, in the purchaser's name, a use tax
4 receipt (or a certificate of exemption if the Department is
5 satisfied that the particular sale is tax exempt) which such
6 purchaser may submit to the agency with which, or State officer
7 with whom, he must title or register the tangible personal
8 property that is involved (if titling or registration is
9 required) in support of such purchaser's application for an
10 Illinois certificate or other evidence of title or registration
11 to such tangible personal property.

12 No retailer's failure or refusal to remit tax under this
13 Act precludes a user, who has paid the proper tax to the
14 retailer, from obtaining his certificate of title or other
15 evidence of title or registration (if titling or registration
16 is required) upon satisfying the Department that such user has
17 paid the proper tax (if tax is due) to the retailer. The
18 Department shall adopt appropriate rules to carry out the
19 mandate of this paragraph.

20 If the user who would otherwise pay tax to the retailer
21 wants the transaction reporting return filed and the payment of
22 the tax or proof of exemption made to the Department before the
23 retailer is willing to take these actions and such user has not
24 paid the tax to the retailer, such user may certify to the fact
25 of such delay by the retailer and may (upon the Department
26 being satisfied of the truth of such certification) transmit

1 the information required by the transaction reporting return
2 and the remittance for tax or proof of exemption directly to
3 the Department and obtain his tax receipt or exemption
4 determination, in which event the transaction reporting return
5 and tax remittance (if a tax payment was required) shall be
6 credited by the Department to the proper retailer's account
7 with the Department, but without the 2.1% or 1.75% discount
8 provided for in this Section being allowed. When the user pays
9 the tax directly to the Department, he shall pay the tax in the
10 same amount and in the same form in which it would be remitted
11 if the tax had been remitted to the Department by the retailer.

12 Refunds made by the seller during the preceding return
13 period to purchasers, on account of tangible personal property
14 returned to the seller, shall be allowed as a deduction under
15 subdivision 5 of his monthly or quarterly return, as the case
16 may be, in case the seller had theretofore included the
17 receipts from the sale of such tangible personal property in a
18 return filed by him and had paid the tax imposed by this Act
19 with respect to such receipts.

20 Where the seller is a corporation, the return filed on
21 behalf of such corporation shall be signed by the president,
22 vice-president, secretary or treasurer or by the properly
23 accredited agent of such corporation.

24 Where the seller is a limited liability company, the return
25 filed on behalf of the limited liability company shall be
26 signed by a manager, member, or properly accredited agent of

1 the limited liability company.

2 Except as provided in this Section, the retailer filing the
3 return under this Section shall, at the time of filing such
4 return, pay to the Department the amount of tax imposed by this
5 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
6 on and after January 1, 1990, or \$5 per calendar year,
7 whichever is greater, which is allowed to reimburse the
8 retailer for the expenses incurred in keeping records,
9 preparing and filing returns, remitting the tax and supplying
10 data to the Department on request. Any prepayment made pursuant
11 to Section 2d of this Act shall be included in the amount on
12 which such 2.1% or 1.75% discount is computed. In the case of
13 retailers who report and pay the tax on a transaction by
14 transaction basis, as provided in this Section, such discount
15 shall be taken with each such tax remittance instead of when
16 such retailer files his periodic return. The discount allowed
17 under this Section is allowed only for returns that are filed
18 in the manner required by this Act. The Department may disallow
19 the discount for retailers whose certificate of registration is
20 revoked at the time the return is filed, but only if the
21 Department's decision to revoke the certificate of
22 registration has become final.

23 Before October 1, 2000, if the taxpayer's average monthly
24 tax liability to the Department under this Act, the Use Tax
25 Act, the Service Occupation Tax Act, and the Service Use Tax
26 Act, excluding any liability for prepaid sales tax to be

1 remitted in accordance with Section 2d of this Act, was \$10,000
2 or more during the preceding 4 complete calendar quarters, he
3 shall file a return with the Department each month by the 20th
4 day of the month next following the month during which such tax
5 liability is incurred and shall make payments to the Department
6 on or before the 7th, 15th, 22nd and last day of the month
7 during which such liability is incurred. On and after October
8 1, 2000, if the taxpayer's average monthly tax liability to the
9 Department under this Act, the Use Tax Act, the Service
10 Occupation Tax Act, and the Service Use Tax Act, excluding any
11 liability for prepaid sales tax to be remitted in accordance
12 with Section 2d of this Act, was \$20,000 or more during the
13 preceding 4 complete calendar quarters, he shall file a return
14 with the Department each month by the 20th day of the month
15 next following the month during which such tax liability is
16 incurred and shall make payment to the Department on or before
17 the 7th, 15th, 22nd and last day of the month during which such
18 liability is incurred. If the month during which such tax
19 liability is incurred began prior to January 1, 1985, each
20 payment shall be in an amount equal to 1/4 of the taxpayer's
21 actual liability for the month or an amount set by the
22 Department not to exceed 1/4 of the average monthly liability
23 of the taxpayer to the Department for the preceding 4 complete
24 calendar quarters (excluding the month of highest liability and
25 the month of lowest liability in such 4 quarter period). If the
26 month during which such tax liability is incurred begins on or

1 after January 1, 1985 and prior to January 1, 1987, each
2 payment shall be in an amount equal to 22.5% of the taxpayer's
3 actual liability for the month or 27.5% of the taxpayer's
4 liability for the same calendar month of the preceding year. If
5 the month during which such tax liability is incurred begins on
6 or after January 1, 1987 and prior to January 1, 1988, each
7 payment shall be in an amount equal to 22.5% of the taxpayer's
8 actual liability for the month or 26.25% of the taxpayer's
9 liability for the same calendar month of the preceding year. If
10 the month during which such tax liability is incurred begins on
11 or after January 1, 1988, and prior to January 1, 1989, or
12 begins on or after January 1, 1996, each payment shall be in an
13 amount equal to 22.5% of the taxpayer's actual liability for
14 the month or 25% of the taxpayer's liability for the same
15 calendar month of the preceding year. If the month during which
16 such tax liability is incurred begins on or after January 1,
17 1989, and prior to January 1, 1996, each payment shall be in an
18 amount equal to 22.5% of the taxpayer's actual liability for
19 the month or 25% of the taxpayer's liability for the same
20 calendar month of the preceding year or 100% of the taxpayer's
21 actual liability for the quarter monthly reporting period. The
22 amount of such quarter monthly payments shall be credited
23 against the final tax liability of the taxpayer's return for
24 that month. Before October 1, 2000, once applicable, the
25 requirement of the making of quarter monthly payments to the
26 Department by taxpayers having an average monthly tax liability

1 of \$10,000 or more as determined in the manner provided above
2 shall continue until such taxpayer's average monthly liability
3 to the Department during the preceding 4 complete calendar
4 quarters (excluding the month of highest liability and the
5 month of lowest liability) is less than \$9,000, or until such
6 taxpayer's average monthly liability to the Department as
7 computed for each calendar quarter of the 4 preceding complete
8 calendar quarter period is less than \$10,000. However, if a
9 taxpayer can show the Department that a substantial change in
10 the taxpayer's business has occurred which causes the taxpayer
11 to anticipate that his average monthly tax liability for the
12 reasonably foreseeable future will fall below the \$10,000
13 threshold stated above, then such taxpayer may petition the
14 Department for a change in such taxpayer's reporting status. On
15 and after October 1, 2000, once applicable, the requirement of
16 the making of quarter monthly payments to the Department by
17 taxpayers having an average monthly tax liability of \$20,000 or
18 more as determined in the manner provided above shall continue
19 until such taxpayer's average monthly liability to the
20 Department during the preceding 4 complete calendar quarters
21 (excluding the month of highest liability and the month of
22 lowest liability) is less than \$19,000 or until such taxpayer's
23 average monthly liability to the Department as computed for
24 each calendar quarter of the 4 preceding complete calendar
25 quarter period is less than \$20,000. However, if a taxpayer can
26 show the Department that a substantial change in the taxpayer's

1 business has occurred which causes the taxpayer to anticipate
2 that his average monthly tax liability for the reasonably
3 foreseeable future will fall below the \$20,000 threshold stated
4 above, then such taxpayer may petition the Department for a
5 change in such taxpayer's reporting status. The Department
6 shall change such taxpayer's reporting status unless it finds
7 that such change is seasonal in nature and not likely to be
8 long term. If any such quarter monthly payment is not paid at
9 the time or in the amount required by this Section, then the
10 taxpayer shall be liable for penalties and interest on the
11 difference between the minimum amount due as a payment and the
12 amount of such quarter monthly payment actually and timely
13 paid, except insofar as the taxpayer has previously made
14 payments for that month to the Department in excess of the
15 minimum payments previously due as provided in this Section.
16 The Department shall make reasonable rules and regulations to
17 govern the quarter monthly payment amount and quarter monthly
18 payment dates for taxpayers who file on other than a calendar
19 monthly basis.

20 The provisions of this paragraph apply before October 1,
21 2001. Without regard to whether a taxpayer is required to make
22 quarter monthly payments as specified above, any taxpayer who
23 is required by Section 2d of this Act to collect and remit
24 prepaid taxes and has collected prepaid taxes which average in
25 excess of \$25,000 per month during the preceding 2 complete
26 calendar quarters, shall file a return with the Department as

1 required by Section 2f and shall make payments to the
2 Department on or before the 7th, 15th, 22nd and last day of the
3 month during which such liability is incurred. If the month
4 during which such tax liability is incurred began prior to
5 September 1, 1985 (the effective date of Public Act 84-221),
6 each payment shall be in an amount not less than 22.5% of the
7 taxpayer's actual liability under Section 2d. If the month
8 during which such tax liability is incurred begins on or after
9 January 1, 1986, each payment shall be in an amount equal to
10 22.5% of the taxpayer's actual liability for the month or 27.5%
11 of the taxpayer's liability for the same calendar month of the
12 preceding calendar year. If the month during which such tax
13 liability is incurred begins on or after January 1, 1987, each
14 payment shall be in an amount equal to 22.5% of the taxpayer's
15 actual liability for the month or 26.25% of the taxpayer's
16 liability for the same calendar month of the preceding year.
17 The amount of such quarter monthly payments shall be credited
18 against the final tax liability of the taxpayer's return for
19 that month filed under this Section or Section 2f, as the case
20 may be. Once applicable, the requirement of the making of
21 quarter monthly payments to the Department pursuant to this
22 paragraph shall continue until such taxpayer's average monthly
23 prepaid tax collections during the preceding 2 complete
24 calendar quarters is \$25,000 or less. If any such quarter
25 monthly payment is not paid at the time or in the amount
26 required, the taxpayer shall be liable for penalties and

1 interest on such difference, except insofar as the taxpayer has
2 previously made payments for that month in excess of the
3 minimum payments previously due.

4 The provisions of this paragraph apply on and after October
5 1, 2001. Without regard to whether a taxpayer is required to
6 make quarter monthly payments as specified above, any taxpayer
7 who is required by Section 2d of this Act to collect and remit
8 prepaid taxes and has collected prepaid taxes that average in
9 excess of \$20,000 per month during the preceding 4 complete
10 calendar quarters shall file a return with the Department as
11 required by Section 2f and shall make payments to the
12 Department on or before the 7th, 15th, 22nd and last day of the
13 month during which the liability is incurred. Each payment
14 shall be in an amount equal to 22.5% of the taxpayer's actual
15 liability for the month or 25% of the taxpayer's liability for
16 the same calendar month of the preceding year. The amount of
17 the quarter monthly payments shall be credited against the
18 final tax liability of the taxpayer's return for that month
19 filed under this Section or Section 2f, as the case may be.
20 Once applicable, the requirement of the making of quarter
21 monthly payments to the Department pursuant to this paragraph
22 shall continue until the taxpayer's average monthly prepaid tax
23 collections during the preceding 4 complete calendar quarters
24 (excluding the month of highest liability and the month of
25 lowest liability) is less than \$19,000 or until such taxpayer's
26 average monthly liability to the Department as computed for

1 each calendar quarter of the 4 preceding complete calendar
2 quarters is less than \$20,000. If any such quarter monthly
3 payment is not paid at the time or in the amount required, the
4 taxpayer shall be liable for penalties and interest on such
5 difference, except insofar as the taxpayer has previously made
6 payments for that month in excess of the minimum payments
7 previously due.

8 If any payment provided for in this Section exceeds the
9 taxpayer's liabilities under this Act, the Use Tax Act, the
10 Service Occupation Tax Act and the Service Use Tax Act, as
11 shown on an original monthly return, the Department shall, if
12 requested by the taxpayer, issue to the taxpayer a credit
13 memorandum no later than 30 days after the date of payment. The
14 credit evidenced by such credit memorandum may be assigned by
15 the taxpayer to a similar taxpayer under this Act, the Use Tax
16 Act, the Service Occupation Tax Act or the Service Use Tax Act,
17 in accordance with reasonable rules and regulations to be
18 prescribed by the Department. If no such request is made, the
19 taxpayer may credit such excess payment against tax liability
20 subsequently to be remitted to the Department under this Act,
21 the Use Tax Act, the Service Occupation Tax Act or the Service
22 Use Tax Act, in accordance with reasonable rules and
23 regulations prescribed by the Department. If the Department
24 subsequently determined that all or any part of the credit
25 taken was not actually due to the taxpayer, the taxpayer's 2.1%
26 and 1.75% vendor's discount shall be reduced by 2.1% or 1.75%

1 of the difference between the credit taken and that actually
2 due, and that taxpayer shall be liable for penalties and
3 interest on such difference.

4 If a retailer of motor fuel is entitled to a credit under
5 Section 2d of this Act which exceeds the taxpayer's liability
6 to the Department under this Act for the month which the
7 taxpayer is filing a return, the Department shall issue the
8 taxpayer a credit memorandum for the excess.

9 Beginning January 1, 1990, each month the Department shall
10 pay into the Local Government Tax Fund, a special fund in the
11 State treasury which is hereby created, the net revenue
12 realized for the preceding month from the 1% tax imposed under
13 this Act.

14 Beginning January 1, 1990, each month the Department shall
15 pay into the County and Mass Transit District Fund, a special
16 fund in the State treasury which is hereby created, 4% of the
17 net revenue realized for the preceding month from the 6.25%
18 general rate.

19 Beginning August 1, 2000, each month the Department shall
20 pay into the County and Mass Transit District Fund 20% of the
21 net revenue realized for the preceding month from the 1.25%
22 rate on the selling price of motor fuel and gasohol. Beginning
23 September 1, 2010, each month the Department shall pay into the
24 County and Mass Transit District Fund 20% of the net revenue
25 realized for the preceding month from the 1.25% rate on the
26 selling price of sales tax holiday items.

1 Beginning January 1, 1990, each month the Department shall
2 pay into the Local Government Tax Fund 16% of the net revenue
3 realized for the preceding month from the 6.25% general rate on
4 the selling price of tangible personal property.

5 Beginning August 1, 2000, each month the Department shall
6 pay into the Local Government Tax Fund 80% of the net revenue
7 realized for the preceding month from the 1.25% rate on the
8 selling price of motor fuel and gasohol. Beginning September 1,
9 2010, each month the Department shall pay into the Local
10 Government Tax Fund 80% of the net revenue realized for the
11 preceding month from the 1.25% rate on the selling price of
12 sales tax holiday items.

13 Beginning October 1, 2009, each month the Department shall
14 pay into the Capital Projects Fund an amount that is equal to
15 an amount estimated by the Department to represent 80% of the
16 net revenue realized for the preceding month from the sale of
17 candy, grooming and hygiene products, and soft drinks that had
18 been taxed at a rate of 1% prior to September 1, 2009 but that
19 are now taxed at 6.25%.

20 Beginning July 1, 2011, each month the Department shall pay
21 into the Clean Air Act Permit Fund 80% of the net revenue
22 realized for the preceding month from the 6.25% general rate on
23 the selling price of sorbents used in Illinois in the process
24 of sorbent injection as used to comply with the Environmental
25 Protection Act or the federal Clean Air Act, but the total
26 payment into the Clean Air Act Permit Fund under this Act and

1 the Use Tax Act shall not exceed \$2,000,000 in any fiscal year.

2 Beginning July 1, 2013, each month the Department shall pay
3 into the Underground Storage Tank Fund from the proceeds
4 collected under this Act, the Use Tax Act, the Service Use Tax
5 Act, and the Service Occupation Tax Act an amount equal to the
6 average monthly deficit in the Underground Storage Tank Fund
7 during the prior year, as certified annually by the Illinois
8 Environmental Protection Agency, but the total payment into the
9 Underground Storage Tank Fund under this Act, the Use Tax Act,
10 the Service Use Tax Act, and the Service Occupation Tax Act
11 shall not exceed \$18,000,000 in any State fiscal year. As used
12 in this paragraph, the "average monthly deficit" shall be equal
13 to the difference between the average monthly claims for
14 payment by the fund and the average monthly revenues deposited
15 into the fund, excluding payments made pursuant to this
16 paragraph.

17 Beginning July 1, 2015, of the remainder of the moneys
18 received by the Department under the Use Tax Act, the Service
19 Use Tax Act, the Service Occupation Tax Act, and this Act, each
20 month the Department shall deposit \$500,000 into the State
21 Crime Laboratory Fund.

22 Of the remainder of the moneys received by the Department
23 pursuant to this Act, (a) 1.75% thereof shall be paid into the
24 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
25 and after July 1, 1989, 3.8% thereof shall be paid into the
26 Build Illinois Fund; provided, however, that if in any fiscal

1 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
2 may be, of the moneys received by the Department and required
3 to be paid into the Build Illinois Fund pursuant to this Act,
4 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax
5 Act, and Section 9 of the Service Occupation Tax Act, such Acts
6 being hereinafter called the "Tax Acts" and such aggregate of
7 2.2% or 3.8%, as the case may be, of moneys being hereinafter
8 called the "Tax Act Amount", and (2) the amount transferred to
9 the Build Illinois Fund from the State and Local Sales Tax
10 Reform Fund shall be less than the Annual Specified Amount (as
11 hereinafter defined), an amount equal to the difference shall
12 be immediately paid into the Build Illinois Fund from other
13 moneys received by the Department pursuant to the Tax Acts; the
14 "Annual Specified Amount" means the amounts specified below for
15 fiscal years 1986 through 1993:

16	Fiscal Year	Annual Specified Amount
17	1986	\$54,800,000
18	1987	\$76,650,000
19	1988	\$80,480,000
20	1989	\$88,510,000
21	1990	\$115,330,000
22	1991	\$145,470,000
23	1992	\$182,730,000
24	1993	\$206,520,000;

25 and means the Certified Annual Debt Service Requirement (as
26 defined in Section 13 of the Build Illinois Bond Act) or the

1 Tax Act Amount, whichever is greater, for fiscal year 1994 and
2 each fiscal year thereafter; and further provided, that if on
3 the last business day of any month the sum of (1) the Tax Act
4 Amount required to be deposited into the Build Illinois Bond
5 Account in the Build Illinois Fund during such month and (2)
6 the amount transferred to the Build Illinois Fund from the
7 State and Local Sales Tax Reform Fund shall have been less than
8 1/12 of the Annual Specified Amount, an amount equal to the
9 difference shall be immediately paid into the Build Illinois
10 Fund from other moneys received by the Department pursuant to
11 the Tax Acts; and, further provided, that in no event shall the
12 payments required under the preceding proviso result in
13 aggregate payments into the Build Illinois Fund pursuant to
14 this clause (b) for any fiscal year in excess of the greater of
15 (i) the Tax Act Amount or (ii) the Annual Specified Amount for
16 such fiscal year. The amounts payable into the Build Illinois
17 Fund under clause (b) of the first sentence in this paragraph
18 shall be payable only until such time as the aggregate amount
19 on deposit under each trust indenture securing Bonds issued and
20 outstanding pursuant to the Build Illinois Bond Act is
21 sufficient, taking into account any future investment income,
22 to fully provide, in accordance with such indenture, for the
23 defeasance of or the payment of the principal of, premium, if
24 any, and interest on the Bonds secured by such indenture and on
25 any Bonds expected to be issued thereafter and all fees and
26 costs payable with respect thereto, all as certified by the

1 Director of the Bureau of the Budget (now Governor's Office of
2 Management and Budget). If on the last business day of any
3 month in which Bonds are outstanding pursuant to the Build
4 Illinois Bond Act, the aggregate of moneys deposited in the
5 Build Illinois Bond Account in the Build Illinois Fund in such
6 month shall be less than the amount required to be transferred
7 in such month from the Build Illinois Bond Account to the Build
8 Illinois Bond Retirement and Interest Fund pursuant to Section
9 13 of the Build Illinois Bond Act, an amount equal to such
10 deficiency shall be immediately paid from other moneys received
11 by the Department pursuant to the Tax Acts to the Build
12 Illinois Fund; provided, however, that any amounts paid to the
13 Build Illinois Fund in any fiscal year pursuant to this
14 sentence shall be deemed to constitute payments pursuant to
15 clause (b) of the first sentence of this paragraph and shall
16 reduce the amount otherwise payable for such fiscal year
17 pursuant to that clause (b). The moneys received by the
18 Department pursuant to this Act and required to be deposited
19 into the Build Illinois Fund are subject to the pledge, claim
20 and charge set forth in Section 12 of the Build Illinois Bond
21 Act.

22 Subject to payment of amounts into the Build Illinois Fund
23 as provided in the preceding paragraph or in any amendment
24 thereto hereafter enacted, the following specified monthly
25 installment of the amount requested in the certificate of the
26 Chairman of the Metropolitan Pier and Exposition Authority

1 provided under Section 8.25f of the State Finance Act, but not
 2 in excess of sums designated as "Total Deposit", shall be
 3 deposited in the aggregate from collections under Section 9 of
 4 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
 5 9 of the Service Occupation Tax Act, and Section 3 of the
 6 Retailers' Occupation Tax Act into the McCormick Place
 7 Expansion Project Fund in the specified fiscal years.

8	Fiscal Year	Total
		Deposit
9	1993	\$0
10	1994	53,000,000
11	1995	58,000,000
12	1996	61,000,000
13	1997	64,000,000
14	1998	68,000,000
15	1999	71,000,000
16	2000	75,000,000
17	2001	80,000,000
18	2002	93,000,000
19	2003	99,000,000
20	2004	103,000,000
21	2005	108,000,000
22	2006	113,000,000
23	2007	119,000,000
24	2008	126,000,000
25	2009	132,000,000

1	2010	139,000,000
2	2011	146,000,000
3	2012	153,000,000
4	2013	161,000,000
5	2014	170,000,000
6	2015	179,000,000
7	2016	189,000,000
8	2017	199,000,000
9	2018	210,000,000
10	2019	221,000,000
11	2020	233,000,000
12	2021	246,000,000
13	2022	260,000,000
14	2023	275,000,000
15	2024	275,000,000
16	2025	275,000,000
17	2026	279,000,000
18	2027	292,000,000
19	2028	307,000,000
20	2029	322,000,000
21	2030	338,000,000
22	2031	350,000,000
23	2032	350,000,000
24	and	
25	each fiscal year	
26	thereafter that bonds	

1 are outstanding under
2 Section 13.2 of the
3 Metropolitan Pier and
4 Exposition Authority Act,
5 but not after fiscal year 2060.

6 Beginning July 20, 1993 and in each month of each fiscal
7 year thereafter, one-eighth of the amount requested in the
8 certificate of the Chairman of the Metropolitan Pier and
9 Exposition Authority for that fiscal year, less the amount
10 deposited into the McCormick Place Expansion Project Fund by
11 the State Treasurer in the respective month under subsection
12 (g) of Section 13 of the Metropolitan Pier and Exposition
13 Authority Act, plus cumulative deficiencies in the deposits
14 required under this Section for previous months and years,
15 shall be deposited into the McCormick Place Expansion Project
16 Fund, until the full amount requested for the fiscal year, but
17 not in excess of the amount specified above as "Total Deposit",
18 has been deposited.

19 Subject to payment of amounts into the Build Illinois Fund
20 and the McCormick Place Expansion Project Fund pursuant to the
21 preceding paragraphs or in any amendments thereto hereafter
22 enacted, beginning July 1, 1993 and ending on September 30,
23 2013, the Department shall each month pay into the Illinois Tax
24 Increment Fund 0.27% of 80% of the net revenue realized for the
25 preceding month from the 6.25% general rate on the selling
26 price of tangible personal property.

1 Subject to payment of amounts into the Build Illinois Fund
2 and the McCormick Place Expansion Project Fund pursuant to the
3 preceding paragraphs or in any amendments thereto hereafter
4 enacted, beginning with the receipt of the first report of
5 taxes paid by an eligible business and continuing for a 25-year
6 period, the Department shall each month pay into the Energy
7 Infrastructure Fund 80% of the net revenue realized from the
8 6.25% general rate on the selling price of Illinois-mined coal
9 that was sold to an eligible business. For purposes of this
10 paragraph, the term "eligible business" means a new electric
11 generating facility certified pursuant to Section 605-332 of
12 the Department of Commerce and Economic Opportunity Law of the
13 Civil Administrative Code of Illinois.

14 Subject to payment of amounts into the Build Illinois Fund,
15 the McCormick Place Expansion Project Fund, the Illinois Tax
16 Increment Fund, and the Energy Infrastructure Fund pursuant to
17 the preceding paragraphs or in any amendments to this Section
18 hereafter enacted, beginning on the first day of the first
19 calendar month to occur on or after August 26, 2014 (the
20 effective date of Public Act 98-1098), each month, from the
21 collections made under Section 9 of the Use Tax Act, Section 9
22 of the Service Use Tax Act, Section 9 of the Service Occupation
23 Tax Act, and Section 3 of the Retailers' Occupation Tax Act,
24 the Department shall pay into the Tax Compliance and
25 Administration Fund, to be used, subject to appropriation, to
26 fund additional auditors and compliance personnel at the

1 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
2 the cash receipts collected during the preceding fiscal year by
3 the Audit Bureau of the Department under the Use Tax Act, the
4 Service Use Tax Act, the Service Occupation Tax Act, the
5 Retailers' Occupation Tax Act, and associated local occupation
6 and use taxes administered by the Department.

7 Subject to payments of amounts into the Build Illinois
8 Fund, the McCormick Place Expansion Project Fund, the Illinois
9 Tax Increment Fund, the Energy Infrastructure Fund, and the Tax
10 Compliance and Administration Fund as provided in this Section,
11 beginning on July 1, 2018 the Department shall pay each month
12 into the Downstate Public Transportation Fund the moneys
13 required to be so paid under Section 2-3 of the Downstate
14 Public Transportation Act.

15 Of the remainder of the moneys received by the Department
16 pursuant to this Act, 75% thereof shall be paid into the State
17 Treasury and 25% shall be reserved in a special account and
18 used only for the transfer to the Common School Fund as part of
19 the monthly transfer from the General Revenue Fund in
20 accordance with Section 8a of the State Finance Act.

21 The Department may, upon separate written notice to a
22 taxpayer, require the taxpayer to prepare and file with the
23 Department on a form prescribed by the Department within not
24 less than 60 days after receipt of the notice an annual
25 information return for the tax year specified in the notice.
26 Such annual return to the Department shall include a statement

1 of gross receipts as shown by the retailer's last Federal
2 income tax return. If the total receipts of the business as
3 reported in the Federal income tax return do not agree with the
4 gross receipts reported to the Department of Revenue for the
5 same period, the retailer shall attach to his annual return a
6 schedule showing a reconciliation of the 2 amounts and the
7 reasons for the difference. The retailer's annual return to the
8 Department shall also disclose the cost of goods sold by the
9 retailer during the year covered by such return, opening and
10 closing inventories of such goods for such year, costs of goods
11 used from stock or taken from stock and given away by the
12 retailer during such year, payroll information of the
13 retailer's business during such year and any additional
14 reasonable information which the Department deems would be
15 helpful in determining the accuracy of the monthly, quarterly
16 or annual returns filed by such retailer as provided for in
17 this Section.

18 If the annual information return required by this Section
19 is not filed when and as required, the taxpayer shall be liable
20 as follows:

21 (i) Until January 1, 1994, the taxpayer shall be liable
22 for a penalty equal to $1/6$ of 1% of the tax due from such
23 taxpayer under this Act during the period to be covered by
24 the annual return for each month or fraction of a month
25 until such return is filed as required, the penalty to be
26 assessed and collected in the same manner as any other

1 penalty provided for in this Act.

2 (ii) On and after January 1, 1994, the taxpayer shall
3 be liable for a penalty as described in Section 3-4 of the
4 Uniform Penalty and Interest Act.

5 The chief executive officer, proprietor, owner or highest
6 ranking manager shall sign the annual return to certify the
7 accuracy of the information contained therein. Any person who
8 willfully signs the annual return containing false or
9 inaccurate information shall be guilty of perjury and punished
10 accordingly. The annual return form prescribed by the
11 Department shall include a warning that the person signing the
12 return may be liable for perjury.

13 The provisions of this Section concerning the filing of an
14 annual information return do not apply to a retailer who is not
15 required to file an income tax return with the United States
16 Government.

17 As soon as possible after the first day of each month, upon
18 certification of the Department of Revenue, the Comptroller
19 shall order transferred and the Treasurer shall transfer from
20 the General Revenue Fund to the Motor Fuel Tax Fund an amount
21 equal to 1.7% of 80% of the net revenue realized under this Act
22 for the second preceding month. Beginning April 1, 2000, this
23 transfer is no longer required and shall not be made.

24 Net revenue realized for a month shall be the revenue
25 collected by the State pursuant to this Act, less the amount
26 paid out during that month as refunds to taxpayers for

1 overpayment of liability.

2 For greater simplicity of administration, manufacturers,
3 importers and wholesalers whose products are sold at retail in
4 Illinois by numerous retailers, and who wish to do so, may
5 assume the responsibility for accounting and paying to the
6 Department all tax accruing under this Act with respect to such
7 sales, if the retailers who are affected do not make written
8 objection to the Department to this arrangement.

9 Any person who promotes, organizes, provides retail
10 selling space for concessionaires or other types of sellers at
11 the Illinois State Fair, DuQuoin State Fair, county fairs,
12 local fairs, art shows, flea markets and similar exhibitions or
13 events, including any transient merchant as defined by Section
14 2 of the Transient Merchant Act of 1987, is required to file a
15 report with the Department providing the name of the merchant's
16 business, the name of the person or persons engaged in
17 merchant's business, the permanent address and Illinois
18 Retailers Occupation Tax Registration Number of the merchant,
19 the dates and location of the event and other reasonable
20 information that the Department may require. The report must be
21 filed not later than the 20th day of the month next following
22 the month during which the event with retail sales was held.
23 Any person who fails to file a report required by this Section
24 commits a business offense and is subject to a fine not to
25 exceed \$250.

26 Any person engaged in the business of selling tangible

1 personal property at retail as a concessionaire or other type
2 of seller at the Illinois State Fair, county fairs, art shows,
3 flea markets and similar exhibitions or events, or any
4 transient merchants, as defined by Section 2 of the Transient
5 Merchant Act of 1987, may be required to make a daily report of
6 the amount of such sales to the Department and to make a daily
7 payment of the full amount of tax due. The Department shall
8 impose this requirement when it finds that there is a
9 significant risk of loss of revenue to the State at such an
10 exhibition or event. Such a finding shall be based on evidence
11 that a substantial number of concessionaires or other sellers
12 who are not residents of Illinois will be engaging in the
13 business of selling tangible personal property at retail at the
14 exhibition or event, or other evidence of a significant risk of
15 loss of revenue to the State. The Department shall notify
16 concessionaires and other sellers affected by the imposition of
17 this requirement. In the absence of notification by the
18 Department, the concessionaires and other sellers shall file
19 their returns as otherwise required in this Section.

20 (Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16;
21 99-933, eff. 1-27-17; 100-303, eff. 8-24-17; 100-363, eff.
22 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19.)

23 (35 ILCS 520/Act rep.)

24 Section 900-20. The Cannabis and Controlled Substances Tax
25 Act is repealed.

1 Section 900-22. The Illinois Police Training Act is amended
2 by changing Sections 9 and 10.12 as follows:

3 (50 ILCS 705/9) (from Ch. 85, par. 509)

4 (Text of Section before amendment by P.A. 100-987)

5 Sec. 9. A special fund is hereby established in the State
6 Treasury to be known as the Traffic and Criminal Conviction
7 Surcharge Fund and shall be financed as provided in Section 9.1
8 of this Act and Section 5-9-1 of the Unified Code of
9 Corrections, unless the fines, costs, or additional amounts
10 imposed are subject to disbursement by the circuit clerk under
11 Section 27.5 of the Clerks of Courts Act. Moneys in this Fund
12 shall be expended as follows:

13 (1) a portion of the total amount deposited in the Fund
14 may be used, as appropriated by the General Assembly, for
15 the ordinary and contingent expenses of the Illinois Law
16 Enforcement Training Standards Board;

17 (2) a portion of the total amount deposited in the Fund
18 shall be appropriated for the reimbursement of local
19 governmental agencies participating in training programs
20 certified by the Board, in an amount equaling 1/2 of the
21 total sum paid by such agencies during the State's previous
22 fiscal year for mandated training for probationary police
23 officers or probationary county corrections officers and
24 for optional advanced and specialized law enforcement or

1 county corrections training; these reimbursements may
2 include the costs for tuition at training schools, the
3 salaries of trainees while in schools, and the necessary
4 travel and room and board expenses for each trainee; if the
5 appropriations under this paragraph (2) are not sufficient
6 to fully reimburse the participating local governmental
7 agencies, the available funds shall be apportioned among
8 such agencies, with priority first given to repayment of
9 the costs of mandatory training given to law enforcement
10 officer or county corrections officer recruits, then to
11 repayment of costs of advanced or specialized training for
12 permanent police officers or permanent county corrections
13 officers;

14 (3) a portion of the total amount deposited in the Fund
15 may be used to fund the Intergovernmental Law Enforcement
16 Officer's In-Service Training Act, veto overridden October
17 29, 1981, as now or hereafter amended, at a rate and method
18 to be determined by the board;

19 (4) a portion of the Fund also may be used by the
20 Illinois Department of State Police for expenses incurred
21 in the training of employees from any State, county or
22 municipal agency whose function includes enforcement of
23 criminal or traffic law;

24 (5) a portion of the Fund may be used by the Board to
25 fund grant-in-aid programs and services for the training of
26 employees from any county or municipal agency whose

1 functions include corrections or the enforcement of
2 criminal or traffic law;

3 (6) for fiscal years 2013 through 2017 only, a portion
4 of the Fund also may be used by the Department of State
5 Police to finance any of its lawful purposes or functions;
6 ~~and~~

7 (7) a portion of the Fund may be used by the Board,
8 subject to appropriation, to administer grants to local law
9 enforcement agencies for the purpose of purchasing
10 bulletproof vests under the Law Enforcement Officer
11 Bulletproof Vest Act; ~~and~~ -

12 (8) a portion of the Fund may be used by the Board to
13 create a law enforcement grant program available for units
14 of local government to fund crime prevention programs,
15 training, and interdiction efforts, including enforcement
16 and prevention efforts, relating to the illegal cannabis
17 market and driving under the influence of cannabis.

18 All payments from the Traffic and Criminal Conviction
19 Surcharge Fund shall be made each year from moneys appropriated
20 for the purposes specified in this Section. No more than 50% of
21 any appropriation under this Act shall be spent in any city
22 having a population of more than 500,000. The State Comptroller
23 and the State Treasurer shall from time to time, at the
24 direction of the Governor, transfer from the Traffic and
25 Criminal Conviction Surcharge Fund to the General Revenue Fund
26 in the State Treasury such amounts as the Governor determines

1 are in excess of the amounts required to meet the obligations
2 of the Traffic and Criminal Conviction Surcharge Fund.

3 (Source: P.A. 98-24, eff. 6-19-13; 98-674, eff. 6-30-14;
4 98-743, eff. 1-1-15; 99-78, eff. 7-20-15; 99-523, eff.
5 6-30-16.)

6 (Text of Section after amendment by P.A. 100-987)

7 Sec. 9. A special fund is hereby established in the State
8 Treasury to be known as the Traffic and Criminal Conviction
9 Surcharge Fund. Moneys in this Fund shall be expended as
10 follows:

11 (1) a portion of the total amount deposited in the Fund
12 may be used, as appropriated by the General Assembly, for
13 the ordinary and contingent expenses of the Illinois Law
14 Enforcement Training Standards Board;

15 (2) a portion of the total amount deposited in the Fund
16 shall be appropriated for the reimbursement of local
17 governmental agencies participating in training programs
18 certified by the Board, in an amount equaling 1/2 of the
19 total sum paid by such agencies during the State's previous
20 fiscal year for mandated training for probationary police
21 officers or probationary county corrections officers and
22 for optional advanced and specialized law enforcement or
23 county corrections training; these reimbursements may
24 include the costs for tuition at training schools, the
25 salaries of trainees while in schools, and the necessary

1 travel and room and board expenses for each trainee; if the
2 appropriations under this paragraph (2) are not sufficient
3 to fully reimburse the participating local governmental
4 agencies, the available funds shall be apportioned among
5 such agencies, with priority first given to repayment of
6 the costs of mandatory training given to law enforcement
7 officer or county corrections officer recruits, then to
8 repayment of costs of advanced or specialized training for
9 permanent police officers or permanent county corrections
10 officers;

11 (3) a portion of the total amount deposited in the Fund
12 may be used to fund the Intergovernmental Law Enforcement
13 Officer's In-Service Training Act, veto overridden October
14 29, 1981, as now or hereafter amended, at a rate and method
15 to be determined by the board;

16 (4) a portion of the Fund also may be used by the
17 Illinois Department of State Police for expenses incurred
18 in the training of employees from any State, county or
19 municipal agency whose function includes enforcement of
20 criminal or traffic law;

21 (5) a portion of the Fund may be used by the Board to
22 fund grant-in-aid programs and services for the training of
23 employees from any county or municipal agency whose
24 functions include corrections or the enforcement of
25 criminal or traffic law;

26 (6) for fiscal years 2013 through 2017 only, a portion

1 of the Fund also may be used by the Department of State
2 Police to finance any of its lawful purposes or functions;
3 ~~and~~

4 (7) a portion of the Fund may be used by the Board,
5 subject to appropriation, to administer grants to local law
6 enforcement agencies for the purpose of purchasing
7 bulletproof vests under the Law Enforcement Officer
8 Bulletproof Vest Act; ~~and~~ -

9 (8) a portion of the Fund may be used by the Board to
10 create a law enforcement grant program available for units
11 of local government to fund crime prevention programs,
12 training, and interdiction efforts, including enforcement
13 and prevention efforts, relating to the illegal cannabis
14 market and driving under the influence of cannabis.

15 All payments from the Traffic and Criminal Conviction
16 Surcharge Fund shall be made each year from moneys appropriated
17 for the purposes specified in this Section. No more than 50% of
18 any appropriation under this Act shall be spent in any city
19 having a population of more than 500,000. The State Comptroller
20 and the State Treasurer shall from time to time, at the
21 direction of the Governor, transfer from the Traffic and
22 Criminal Conviction Surcharge Fund to the General Revenue Fund
23 in the State Treasury such amounts as the Governor determines
24 are in excess of the amounts required to meet the obligations
25 of the Traffic and Criminal Conviction Surcharge Fund.

26 (Source: P.A. 99-78, eff. 7-20-15; 99-523, eff. 6-30-16;

1 100-987, eff. 7-1-19.)

2 (50 ILCS 705/10.12)

3 Sec. 10.12. Police dog training standards. All ~~Beginning~~
4 ~~July 1, 2012, all~~ police dogs used by State and local law
5 enforcement agencies for drug enforcement purposes pursuant to
6 the Cannabis Control Act ~~(720 ILCS 550/)~~, the Illinois
7 Controlled Substances Act ~~(720 ILCS 570/)~~, or ~~and~~ the
8 Methamphetamine Control and Community Protection Act ~~(720 ILCS~~
9 ~~646/)~~ shall be trained by programs that meet the minimum
10 certification requirements set by the Board.

11 (Source: P.A. 97-469, eff. 7-1-12.)

12 Section 900-25. The Counties Code is amended by adding
13 Section 5-1006.8 and changing Section 5-1009 as follows:

14 (55 ILCS 5/5-1006.8 new)

15 Sec. 5-1006.8. County Cannabis Retailers' Occupation Tax
16 Law.

17 (a) This Section may be referred to as the County Cannabis
18 Retailers' Occupation Tax Law. On and after January 1, 2020,
19 the corporate authorities of any county may, by ordinance,
20 impose a tax upon all persons engaged in the business of
21 selling cannabis, other than cannabis purchased under the
22 Compassionate Use of Medical Cannabis Pilot Program Act, at
23 retail in the county on the gross receipts from these sales

1 made in the course of that business. If imposed, the tax shall
2 be imposed only in 0.25% increments. The tax rate may not
3 exceed: (i) 3.75% of the gross receipts of sales made in
4 unincorporated areas of the county and (ii) 0.75% of the gross
5 receipts of sales made in a municipality located in a non-home
6 rule county; and (iii) 3% of gross sales receipts made in a
7 municipality located in a home rule county. The tax imposed
8 under this Section and all civil penalties that may be assessed
9 as an incident of the tax shall be collected and enforced by
10 the Department of Revenue. The Department of Revenue shall have
11 full power to administer and enforce this Section; to collect
12 all taxes and penalties due hereunder; to dispose of taxes and
13 penalties so collected in the manner hereinafter provided; and
14 to determine all rights to credit memoranda arising on account
15 of the erroneous payment of tax or penalty under this Section.
16 In the administration of and compliance with this Section, the
17 Department of Revenue and persons who are subject to this
18 Section shall have the same rights, remedies, privileges,
19 immunities, powers and duties, and be subject to the same
20 conditions, restrictions, limitations, penalties, and
21 definitions of terms, and employ the same modes of procedure,
22 as are described in Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m,
23 1n, 2 through 2-65 (in respect to all provisions therein other
24 than the State rate of tax), 2c, 3 (except as to the
25 disposition of taxes and penalties collected), 4, 5, 5a, 5b,
26 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6bb, 6c, 6d, 8,

1 8, 9, 10, 11, 12, and 13 of the Retailers' Occupation Tax Act
2 and Section 3-7 of the Uniform Penalty and Interest Act as
3 fully as if those provisions were set forth in this Section.

4 (b) Persons subject to any tax imposed under the authority
5 granted in this Section may reimburse themselves for their
6 seller's tax liability hereunder by separately stating that tax
7 as an additional charge, which charge may be stated in
8 combination, in a single amount, with any State tax that
9 sellers are required to collect.

10 (c) Whenever the Department of Revenue determines that a
11 refund should be made under this Section to a claimant instead
12 of issuing a credit memorandum, the Department of Revenue shall
13 notify the State Comptroller, who shall cause the order to be
14 drawn for the amount specified and to the person named in the
15 notification from the Department of Revenue.

16 (d) The Department of Revenue shall immediately pay over to
17 the State Treasurer, ex officio, as trustee, all taxes and
18 penalties collected hereunder for deposit into the Local
19 Cannabis Consumer Excise Tax Trust Fund.

20 (e) On or before the 25th day of each calendar month, the
21 Department of Revenue shall prepare and certify to the
22 Comptroller the amount of money to be disbursed from the Local
23 Cannabis Consumer Excise Tax Trust Fund to counties from which
24 retailers have paid taxes or penalties under this Section
25 during the second preceding calendar month. The amount to be
26 paid to each county shall be the amount (not including credit

1 memoranda) collected under this Section from sales made in the
2 county during the second preceding calendar month, plus an
3 amount the Department of Revenue determines is necessary to
4 offset any amounts that were erroneously paid to a different
5 taxing body, and not including an amount equal to the amount of
6 refunds made during the second preceding calendar month by the
7 Department on behalf of such county, and not including any
8 amount that the Department determines is necessary to offset
9 any amounts that were payable to a different taxing body but
10 were erroneously paid to the county, less 1.5% of the
11 remainder, which the Department shall transfer into the Tax
12 Compliance and Administration Fund. The Department, at the time
13 of each monthly disbursement to the counties, shall prepare and
14 certify the State Comptroller the amount to be transferred into
15 the Tax Compliance and Administration Fund under this Section.
16 Within 10 days after receipt by the Comptroller of the
17 disbursement certification to the counties and the Tax
18 Compliance and Administration Fund provided for in this Section
19 to be given to the Comptroller by the Department, the
20 Comptroller shall cause the orders to be drawn for the
21 respective amounts in accordance with the directions contained
22 in the certification.

23 (f) An ordinance or resolution imposing or discontinuing a
24 tax under this Section or effecting a change in the rate
25 thereof shall be adopted and a certified copy thereof filed
26 with the Department on or before the first day of June,

1 whereupon the Department shall proceed to administer and
2 enforce this Section as of the first day of September next
3 following the adoption and filing.

4 (55 ILCS 5/5-1009) (from Ch. 34, par. 5-1009)

5 Sec. 5-1009. Limitation on home rule powers. Except as
6 provided in Sections 5-1006, 5-1006.5, 5-1006.8, 5-1007 and
7 5-1008, on and after September 1, 1990, no home rule county has
8 the authority to impose, pursuant to its home rule authority, a
9 retailer's occupation tax, service occupation tax, use tax,
10 sales tax or other tax on the use, sale or purchase of tangible
11 personal property based on the gross receipts from such sales
12 or the selling or purchase price of said tangible personal
13 property. Notwithstanding the foregoing, this Section does not
14 preempt any home rule imposed tax such as the following: (1) a
15 tax on alcoholic beverages, whether based on gross receipts,
16 volume sold or any other measurement; (2) a tax based on the
17 number of units of cigarettes or tobacco products; (3) a tax,
18 however measured, based on the use of a hotel or motel room or
19 similar facility; (4) a tax, however measured, on the sale or
20 transfer of real property; (5) a tax, however measured, on
21 lease receipts; (6) a tax on food prepared for immediate
22 consumption and on alcoholic beverages sold by a business which
23 provides for on premise consumption of said food or alcoholic
24 beverages; or (7) other taxes not based on the selling or
25 purchase price or gross receipts from the use, sale or purchase

1 of tangible personal property. This Section does not preempt a
2 home rule county from imposing a tax, however measured, on the
3 use, for consideration, of a parking lot, garage, or other
4 parking facility. This Section is a limitation, pursuant to
5 subsection (g) of Section 6 of Article VII of the Illinois
6 Constitution, on the power of home rule units to tax.

7 (Source: P.A. 97-1168, eff. 3-8-13; 97-1169, eff. 3-8-13.)

8 Section 900-30. The Illinois Municipal Code is amended by
9 changing Section 8-11-6a and adding Section 8-11-22 as follows:

10 (65 ILCS 5/8-11-6a) (from Ch. 24, par. 8-11-6a)

11 Sec. 8-11-6a. Home rule municipalities; preemption of
12 certain taxes. Except as provided in Sections 8-11-1, 8-11-5,
13 8-11-6, 8-11-6b, 8-11-6c, 8-11-22, and 11-74.3-6 on and after
14 September 1, 1990, no home rule municipality has the authority
15 to impose, pursuant to its home rule authority, a retailer's
16 occupation tax, service occupation tax, use tax, sales tax or
17 other tax on the use, sale or purchase of tangible personal
18 property based on the gross receipts from such sales or the
19 selling or purchase price of said tangible personal property.
20 Notwithstanding the foregoing, this Section does not preempt
21 any home rule imposed tax such as the following: (1) a tax on
22 alcoholic beverages, whether based on gross receipts, volume
23 sold or any other measurement; (2) a tax based on the number of
24 units of cigarettes or tobacco products (provided, however,

1 that a home rule municipality that has not imposed a tax based
2 on the number of units of cigarettes or tobacco products before
3 July 1, 1993, shall not impose such a tax after that date); (3)
4 a tax, however measured, based on the use of a hotel or motel
5 room or similar facility; (4) a tax, however measured, on the
6 sale or transfer of real property; (5) a tax, however measured,
7 on lease receipts; (6) a tax on food prepared for immediate
8 consumption and on alcoholic beverages sold by a business which
9 provides for on premise consumption of said food or alcoholic
10 beverages; or (7) other taxes not based on the selling or
11 purchase price or gross receipts from the use, sale or purchase
12 of tangible personal property. This Section does not preempt a
13 home rule municipality with a population of more than 2,000,000
14 from imposing a tax, however measured, on the use, for
15 consideration, of a parking lot, garage, or other parking
16 facility. This Section is not intended to affect any existing
17 tax on food and beverages prepared for immediate consumption on
18 the premises where the sale occurs, or any existing tax on
19 alcoholic beverages, or any existing tax imposed on the charge
20 for renting a hotel or motel room, which was in effect January
21 15, 1988, or any extension of the effective date of such an
22 existing tax by ordinance of the municipality imposing the tax,
23 which extension is hereby authorized, in any non-home rule
24 municipality in which the imposition of such a tax has been
25 upheld by judicial determination, nor is this Section intended
26 to preempt the authority granted by Public Act 85-1006. This

1 Section is a limitation, pursuant to subsection (g) of Section
2 6 of Article VII of the Illinois Constitution, on the power of
3 home rule units to tax.

4 (Source: P.A. 97-1168, eff. 3-8-13; 97-1169, eff. 3-8-13.)

5 (65 ILCS 5/8-11-22 new)

6 Sec. 8-11-22. Municipal Cannabis Retailers' Occupation Tax
7 Law.

8 (a) This Section may be referred to as the Municipal
9 Cannabis Retailers' Occupation Tax Law. On and after January 1,
10 2020, the corporate authorities of any municipality may, by
11 ordinance, impose a tax upon all persons engaged in the
12 business of selling cannabis, other than cannabis purchased
13 under the Compassionate Use of Medical Cannabis Pilot Program
14 Act, at retail in the municipality on the gross receipts from
15 these sales made in the course of that business. If imposed,
16 the tax may not exceed 3% of the gross receipts from these
17 sales and shall only be imposed in 1/4% increments. The tax
18 imposed under this Section and all civil penalties that may be
19 assessed as an incident of the tax shall be collected and
20 enforced by the Department of Revenue. The Department of
21 Revenue shall have full power to administer and enforce this
22 Section; to collect all taxes and penalties due hereunder; to
23 dispose of taxes and penalties so collected in the manner
24 hereinafter provided; and to determine all rights to credit
25 memoranda arising on account of the erroneous payment of tax or

1 penalty under this Section. In the administration of and
2 compliance with this Section, the Department and persons who
3 are subject to this Section shall have the same rights,
4 remedies, privileges, immunities, powers and duties, and be
5 subject to the same conditions, restrictions, limitations,
6 penalties and definitions of terms, and employ the same modes
7 of procedure, as are prescribed in Sections 1, 1a, 1d, 1e, 1f,
8 1i, 1j, 1k, 1m, 1n, 2 through 2-65 (in respect to all
9 provisions therein other than the State rate of tax), 2c, 3
10 (except as to the disposition of taxes and penalties
11 collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k,
12 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the
13 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
14 Penalty and Interest Act, as fully as if those provisions were
15 set forth herein.

16 (b) Persons subject to any tax imposed under the authority
17 granted in this Section may reimburse themselves for their
18 seller's tax liability hereunder by separately stating that tax
19 as an additional charge, which charge may be stated in
20 combination, in a single amount, with any State tax that
21 sellers are required to collect.

22 (c) Whenever the Department of Revenue determines that a
23 refund should be made under this Section to a claimant instead
24 of issuing a credit memorandum, the Department of Revenue shall
25 notify the State Comptroller, who shall cause the order to be
26 drawn for the amount specified and to the person named in the

1 notification from the Department of Revenue.

2 (d) The Department of Revenue shall immediately pay over to
3 the State Treasurer, ex officio, as trustee, all taxes and
4 penalties collected hereunder for deposit into the Cannabis
5 Regulation Fund.

6 (e) On or before the 25th day of each calendar month, the
7 Department of Revenue shall prepare and certify to the
8 Comptroller the amount of money to be disbursed from the Local
9 Cannabis Consumer Excise Tax Trust Fund to municipalities from
10 which retailers have paid taxes or penalties under this Section
11 during the second preceding calendar month. The amount to be
12 paid to each municipality shall be the amount (not including
13 credit memoranda) collected under this Section from sales made
14 in the municipality during the second preceding calendar month,
15 plus an amount the Department of Revenue determines is
16 necessary to offset any amounts that were erroneously paid to a
17 different taxing body, and not including an amount equal to the
18 amount of refunds made during the second preceding calendar
19 month by the Department on behalf of such municipality, and not
20 including any amount that the Department determines is
21 necessary to offset any amounts that were payable to a
22 different taxing body but were erroneously paid to the
23 municipality, less 1.5% of the remainder, which the Department
24 shall transfer into the Tax Compliance and Administration Fund.
25 The Department, at the time of each monthly disbursement to the
26 municipalities, shall prepare and certify to the State

1 Comptroller the amount to be transferred into the Tax
2 Compliance and Administration Fund under this Section. Within
3 10 days after receipt by the Comptroller of the disbursement
4 certification to the municipalities and the Tax Compliance and
5 Administration Fund provided for in this Section to be given to
6 the Comptroller by the Department, the Comptroller shall cause
7 the orders to be drawn for the respective amounts in accordance
8 with the directions contained in the certification.

9 (f) An ordinance or resolution imposing or discontinuing a
10 tax under this Section or effecting a change in the rate
11 thereof shall be adopted and a certified copy thereof filed
12 with the Department on or before the first day of June,
13 whereupon the Department shall proceed to administer and
14 enforce this Section as of the first day of September next
15 following the adoption and filing.

16 Section 900-32. The Illinois Banking Act is amended by
17 changing Section 48 as follows:

18 (205 ILCS 5/48)

19 Sec. 48. Secretary's powers; duties. The Secretary shall
20 have the powers and authority, and is charged with the duties
21 and responsibilities designated in this Act, and a State bank
22 shall not be subject to any other visitorial power other than
23 as authorized by this Act, except those vested in the courts,
24 or upon prior consultation with the Secretary, a foreign bank

1 regulator with an appropriate supervisory interest in the
2 parent or affiliate of a state bank. In the performance of the
3 Secretary's duties:

4 (1) The Commissioner shall call for statements from all
5 State banks as provided in Section 47 at least one time
6 during each calendar quarter.

7 (2) (a) The Commissioner, as often as the Commissioner
8 shall deem necessary or proper, and no less frequently than
9 18 months following the preceding examination, shall
10 appoint a suitable person or persons to make an examination
11 of the affairs of every State bank, except that for every
12 eligible State bank, as defined by regulation, the
13 Commissioner in lieu of the examination may accept on an
14 alternating basis the examination made by the eligible
15 State bank's appropriate federal banking agency pursuant
16 to Section 111 of the Federal Deposit Insurance Corporation
17 Improvement Act of 1991, provided the appropriate federal
18 banking agency has made such an examination. A person so
19 appointed shall not be a stockholder or officer or employee
20 of any bank which that person may be directed to examine,
21 and shall have powers to make a thorough examination into
22 all the affairs of the bank and in so doing to examine any
23 of the officers or agents or employees thereof on oath and
24 shall make a full and detailed report of the condition of
25 the bank to the Commissioner. In making the examination the
26 examiners shall include an examination of the affairs of

1 all the affiliates of the bank, as defined in subsection
2 (b) of Section 35.2 of this Act, or subsidiaries of the
3 bank as shall be necessary to disclose fully the conditions
4 of the subsidiaries or affiliates, the relations between
5 the bank and the subsidiaries or affiliates and the effect
6 of those relations upon the affairs of the bank, and in
7 connection therewith shall have power to examine any of the
8 officers, directors, agents, or employees of the
9 subsidiaries or affiliates on oath. After May 31, 1997, the
10 Commissioner may enter into cooperative agreements with
11 state regulatory authorities of other states to provide for
12 examination of State bank branches in those states, and the
13 Commissioner may accept reports of examinations of State
14 bank branches from those state regulatory authorities.
15 These cooperative agreements may set forth the manner in
16 which the other state regulatory authorities may be
17 compensated for examinations prepared for and submitted to
18 the Commissioner.

19 (b) After May 31, 1997, the Commissioner is authorized
20 to examine, as often as the Commissioner shall deem
21 necessary or proper, branches of out-of-state banks. The
22 Commissioner may establish and may assess fees to be paid
23 to the Commissioner for examinations under this subsection
24 (b). The fees shall be borne by the out-of-state bank,
25 unless the fees are borne by the state regulatory authority
26 that chartered the out-of-state bank, as determined by a

1 cooperative agreement between the Commissioner and the
2 state regulatory authority that chartered the out-of-state
3 bank.

4 (2.1) Pursuant to paragraph (a) of subsection (6) of
5 this Section, the Secretary shall adopt rules that ensure
6 consistency and due process in the examination process. The
7 Secretary may also establish guidelines that (i) define the
8 scope of the examination process and (ii) clarify
9 examination items to be resolved. The rules, formal
10 guidance, interpretive letters, or opinions furnished to
11 State banks by the Secretary may be relied upon by the
12 State banks.

13 (2.5) Whenever any State bank, any subsidiary or
14 affiliate of a State bank, or after May 31, 1997, any
15 branch of an out-of-state bank causes to be performed, by
16 contract or otherwise, any bank services for itself,
17 whether on or off its premises:

18 (a) that performance shall be subject to
19 examination by the Commissioner to the same extent as
20 if services were being performed by the bank or, after
21 May 31, 1997, branch of the out-of-state bank itself on
22 its own premises; and

23 (b) the bank or, after May 31, 1997, branch of the
24 out-of-state bank shall notify the Commissioner of the
25 existence of a service relationship. The notification
26 shall be submitted with the first statement of

1 condition (as required by Section 47 of this Act) due
2 after the making of the service contract or the
3 performance of the service, whichever occurs first.
4 The Commissioner shall be notified of each subsequent
5 contract in the same manner.

6 For purposes of this subsection (2.5), the term "bank
7 services" means services such as sorting and posting of
8 checks and deposits, computation and posting of interest
9 and other credits and charges, preparation and mailing of
10 checks, statements, notices, and similar items, or any
11 other clerical, bookkeeping, accounting, statistical, or
12 similar functions performed for a State bank, including but
13 not limited to electronic data processing related to those
14 bank services.

15 (3) The expense of administering this Act, including
16 the expense of the examinations of State banks as provided
17 in this Act, shall to the extent of the amounts resulting
18 from the fees provided for in paragraphs (a), (a-2), and
19 (b) of this subsection (3) be assessed against and borne by
20 the State banks:

21 (a) Each bank shall pay to the Secretary a Call
22 Report Fee which shall be paid in quarterly
23 installments equal to one-fourth of the sum of the
24 annual fixed fee of \$800, plus a variable fee based on
25 the assets shown on the quarterly statement of
26 condition delivered to the Secretary in accordance

1 with Section 47 for the preceding quarter according to
2 the following schedule: 16¢ per \$1,000 of the first
3 \$5,000,000 of total assets, 15¢ per \$1,000 of the next
4 \$20,000,000 of total assets, 13¢ per \$1,000 of the next
5 \$75,000,000 of total assets, 9¢ per \$1,000 of the next
6 \$400,000,000 of total assets, 7¢ per \$1,000 of the next
7 \$500,000,000 of total assets, and 5¢ per \$1,000 of all
8 assets in excess of \$1,000,000,000, of the State bank.
9 The Call Report Fee shall be calculated by the
10 Secretary and billed to the banks for remittance at the
11 time of the quarterly statements of condition provided
12 for in Section 47. The Secretary may require payment of
13 the fees provided in this Section by an electronic
14 transfer of funds or an automatic debit of an account
15 of each of the State banks. In case more than one
16 examination of any bank is deemed by the Secretary to
17 be necessary in any examination frequency cycle
18 specified in subsection 2(a) of this Section, and is
19 performed at his direction, the Secretary may assess a
20 reasonable additional fee to recover the cost of the
21 additional examination. In lieu of the method and
22 amounts set forth in this paragraph (a) for the
23 calculation of the Call Report Fee, the Secretary may
24 specify by rule that the Call Report Fees provided by
25 this Section may be assessed semiannually or some other
26 period and may provide in the rule the formula to be

1 used for calculating and assessing the periodic Call
2 Report Fees to be paid by State banks.

3 (a-1) If in the opinion of the Commissioner an
4 emergency exists or appears likely, the Commissioner
5 may assign an examiner or examiners to monitor the
6 affairs of a State bank with whatever frequency he
7 deems appropriate, including but not limited to a daily
8 basis. The reasonable and necessary expenses of the
9 Commissioner during the period of the monitoring shall
10 be borne by the subject bank. The Commissioner shall
11 furnish the State bank a statement of time and expenses
12 if requested to do so within 30 days of the conclusion
13 of the monitoring period.

14 (a-2) On and after January 1, 1990, the reasonable
15 and necessary expenses of the Commissioner during
16 examination of the performance of electronic data
17 processing services under subsection (2.5) shall be
18 borne by the banks for which the services are provided.
19 An amount, based upon a fee structure prescribed by the
20 Commissioner, shall be paid by the banks or, after May
21 31, 1997, branches of out-of-state banks receiving the
22 electronic data processing services along with the
23 Call Report Fee assessed under paragraph (a) of this
24 subsection (3).

25 (a-3) After May 31, 1997, the reasonable and
26 necessary expenses of the Commissioner during

1 examination of the performance of electronic data
2 processing services under subsection (2.5) at or on
3 behalf of branches of out-of-state banks shall be borne
4 by the out-of-state banks, unless those expenses are
5 borne by the state regulatory authorities that
6 chartered the out-of-state banks, as determined by
7 cooperative agreements between the Commissioner and
8 the state regulatory authorities that chartered the
9 out-of-state banks.

10 (b) "Fiscal year" for purposes of this Section 48
11 is defined as a period beginning July 1 of any year and
12 ending June 30 of the next year. The Commissioner shall
13 receive for each fiscal year, commencing with the
14 fiscal year ending June 30, 1987, a contingent fee
15 equal to the lesser of the aggregate of the fees paid
16 by all State banks under paragraph (a) of subsection
17 (3) for that year, or the amount, if any, whereby the
18 aggregate of the administration expenses, as defined
19 in paragraph (c), for that fiscal year exceeds the sum
20 of the aggregate of the fees payable by all State banks
21 for that year under paragraph (a) of subsection (3),
22 plus any amounts transferred into the Bank and Trust
23 Company Fund from the State Pensions Fund for that
24 year, plus all other amounts collected by the
25 Commissioner for that year under any other provision of
26 this Act, plus the aggregate of all fees collected for

1 that year by the Commissioner under the Corporate
2 Fiduciary Act, excluding the receivership fees
3 provided for in Section 5-10 of the Corporate Fiduciary
4 Act, and the Foreign Banking Office Act. The aggregate
5 amount of the contingent fee thus arrived at for any
6 fiscal year shall be apportioned amongst, assessed
7 upon, and paid by the State banks and foreign banking
8 corporations, respectively, in the same proportion
9 that the fee of each under paragraph (a) of subsection
10 (3), respectively, for that year bears to the aggregate
11 for that year of the fees collected under paragraph (a)
12 of subsection (3). The aggregate amount of the
13 contingent fee, and the portion thereof to be assessed
14 upon each State bank and foreign banking corporation,
15 respectively, shall be determined by the Commissioner
16 and shall be paid by each, respectively, within 120
17 days of the close of the period for which the
18 contingent fee is computed and is payable, and the
19 Commissioner shall give 20 days' advance notice of the
20 amount of the contingent fee payable by the State bank
21 and of the date fixed by the Commissioner for payment
22 of the fee.

23 (c) The "administration expenses" for any fiscal
24 year shall mean the ordinary and contingent expenses
25 for that year incident to making the examinations
26 provided for by, and for otherwise administering, this

1 Act, the Corporate Fiduciary Act, excluding the
2 expenses paid from the Corporate Fiduciary
3 Receivership account in the Bank and Trust Company
4 Fund, the Foreign Banking Office Act, the Electronic
5 Fund Transfer Act, and the Illinois Bank Examiners'
6 Education Foundation Act, including all salaries and
7 other compensation paid for personal services rendered
8 for the State by officers or employees of the State,
9 including the Commissioner and the Deputy
10 Commissioners, communication equipment and services,
11 office furnishings, surety bond premiums, and travel
12 expenses of those officers and employees, employees,
13 expenditures or charges for the acquisition,
14 enlargement or improvement of, or for the use of, any
15 office space, building, or structure, or expenditures
16 for the maintenance thereof or for furnishing heat,
17 light, or power with respect thereto, all to the extent
18 that those expenditures are directly incidental to
19 such examinations or administration. The Commissioner
20 shall not be required by paragraphs (c) or (d-1) of
21 this subsection (3) to maintain in any fiscal year's
22 budget appropriated reserves for accrued vacation and
23 accrued sick leave that is required to be paid to
24 employees of the Commissioner upon termination of
25 their service with the Commissioner in an amount that
26 is more than is reasonably anticipated to be necessary

1 for any anticipated turnover in employees, whether due
2 to normal attrition or due to layoffs, terminations, or
3 resignations.

4 (d) The aggregate of all fees collected by the
5 Secretary under this Act, the Corporate Fiduciary Act,
6 or the Foreign Banking Office Act on and after July 1,
7 1979, shall be paid promptly after receipt of the same,
8 accompanied by a detailed statement thereof, into the
9 State treasury and shall be set apart in a special fund
10 to be known as the "Bank and Trust Company Fund",
11 except as provided in paragraph (c) of subsection (11)
12 of this Section. All earnings received from
13 investments of funds in the Bank and Trust Company Fund
14 shall be deposited in the Bank and Trust Company Fund
15 and may be used for the same purposes as fees deposited
16 in that Fund. The amount from time to time deposited
17 into the Bank and Trust Company Fund shall be used: (i)
18 to offset the ordinary administrative expenses of the
19 Secretary as defined in this Section or (ii) as a
20 credit against fees under paragraph (d-1) of this
21 subsection (3). Nothing in this amendatory Act of 1979
22 shall prevent continuing the practice of paying
23 expenses involving salaries, retirement, social
24 security, and State-paid insurance premiums of State
25 officers by appropriations from the General Revenue
26 Fund. However, the General Revenue Fund shall be

1 reimbursed for those payments made on and after July 1,
2 1979, by an annual transfer of funds from the Bank and
3 Trust Company Fund. Moneys in the Bank and Trust
4 Company Fund may be transferred to the Professions
5 Indirect Cost Fund, as authorized under Section
6 2105-300 of the Department of Professional Regulation
7 Law of the Civil Administrative Code of Illinois.

8 Notwithstanding provisions in the State Finance
9 Act, as now or hereafter amended, or any other law to
10 the contrary, the sum of \$18,788,847 shall be
11 transferred from the Bank and Trust Company Fund to the
12 Financial Institutions Settlement of 2008 Fund on the
13 effective date of this amendatory Act of the 95th
14 General Assembly, or as soon thereafter as practical.

15 Notwithstanding provisions in the State Finance
16 Act, as now or hereafter amended, or any other law to
17 the contrary, the Governor may, during any fiscal year
18 through January 10, 2011, from time to time direct the
19 State Treasurer and Comptroller to transfer a
20 specified sum not exceeding 10% of the revenues to be
21 deposited into the Bank and Trust Company Fund during
22 that fiscal year from that Fund to the General Revenue
23 Fund in order to help defray the State's operating
24 costs for the fiscal year. Notwithstanding provisions
25 in the State Finance Act, as now or hereafter amended,
26 or any other law to the contrary, the total sum

1 transferred during any fiscal year through January 10,
2 2011, from the Bank and Trust Company Fund to the
3 General Revenue Fund pursuant to this provision shall
4 not exceed during any fiscal year 10% of the revenues
5 to be deposited into the Bank and Trust Company Fund
6 during that fiscal year. The State Treasurer and
7 Comptroller shall transfer the amounts designated
8 under this Section as soon as may be practicable after
9 receiving the direction to transfer from the Governor.

10 (d-1) Adequate funds shall be available in the Bank
11 and Trust Company Fund to permit the timely payment of
12 administration expenses. In each fiscal year the total
13 administration expenses shall be deducted from the
14 total fees collected by the Commissioner and the
15 remainder transferred into the Cash Flow Reserve
16 Account, unless the balance of the Cash Flow Reserve
17 Account prior to the transfer equals or exceeds
18 one-fourth of the total initial appropriations from
19 the Bank and Trust Company Fund for the subsequent
20 year, in which case the remainder shall be credited to
21 State banks and foreign banking corporations and
22 applied against their fees for the subsequent year. The
23 amount credited to each State bank and foreign banking
24 corporation shall be in the same proportion as the Call
25 Report Fees paid by each for the year bear to the total
26 Call Report Fees collected for the year. If, after a

1 transfer to the Cash Flow Reserve Account is made or if
2 no remainder is available for transfer, the balance of
3 the Cash Flow Reserve Account is less than one-fourth
4 of the total initial appropriations for the subsequent
5 year and the amount transferred is less than 5% of the
6 total Call Report Fees for the year, additional amounts
7 needed to make the transfer equal to 5% of the total
8 Call Report Fees for the year shall be apportioned
9 amongst, assessed upon, and paid by the State banks and
10 foreign banking corporations in the same proportion
11 that the Call Report Fees of each, respectively, for
12 the year bear to the total Call Report Fees collected
13 for the year. The additional amounts assessed shall be
14 transferred into the Cash Flow Reserve Account. For
15 purposes of this paragraph (d-1), the calculation of
16 the fees collected by the Commissioner shall exclude
17 the receivership fees provided for in Section 5-10 of
18 the Corporate Fiduciary Act.

19 (e) The Commissioner may upon request certify to
20 any public record in his keeping and shall have
21 authority to levy a reasonable charge for issuing
22 certifications of any public record in his keeping.

23 (f) In addition to fees authorized elsewhere in
24 this Act, the Commissioner may, in connection with a
25 review, approval, or provision of a service, levy a
26 reasonable charge to recover the cost of the review,

1 approval, or service.

2 (4) Nothing contained in this Act shall be construed to
3 limit the obligation relative to examinations and reports
4 of any State bank, deposits in which are to any extent
5 insured by the United States or any agency thereof, nor to
6 limit in any way the powers of the Commissioner with
7 reference to examinations and reports of that bank.

8 (5) The nature and condition of the assets in or
9 investment of any bonus, pension, or profit sharing plan
10 for officers or employees of every State bank or, after May
11 31, 1997, branch of an out-of-state bank shall be deemed to
12 be included in the affairs of that State bank or branch of
13 an out-of-state bank subject to examination by the
14 Commissioner under the provisions of subsection (2) of this
15 Section, and if the Commissioner shall find from an
16 examination that the condition of or operation of the
17 investments or assets of the plan is unlawful, fraudulent,
18 or unsafe, or that any trustee has abused his trust, the
19 Commissioner shall, if the situation so found by the
20 Commissioner shall not be corrected to his satisfaction
21 within 60 days after the Commissioner has given notice to
22 the board of directors of the State bank or out-of-state
23 bank of his findings, report the facts to the Attorney
24 General who shall thereupon institute proceedings against
25 the State bank or out-of-state bank, the board of directors
26 thereof, or the trustees under such plan as the nature of

1 the case may require.

2 (6) The Commissioner shall have the power:

3 (a) To promulgate reasonable rules for the purpose
4 of administering the provisions of this Act.

5 (a-5) To impose conditions on any approval issued
6 by the Commissioner if he determines that the
7 conditions are necessary or appropriate. These
8 conditions shall be imposed in writing and shall
9 continue in effect for the period prescribed by the
10 Commissioner.

11 (b) To issue orders against any person, if the
12 Commissioner has reasonable cause to believe that an
13 unsafe or unsound banking practice has occurred, is
14 occurring, or is about to occur, if any person has
15 violated, is violating, or is about to violate any law,
16 rule, or written agreement with the Commissioner, or
17 for the purpose of administering the provisions of this
18 Act and any rule promulgated in accordance with this
19 Act.

20 (b-1) To enter into agreements with a bank
21 establishing a program to correct the condition of the
22 bank or its practices.

23 (c) To appoint hearing officers to execute any of
24 the powers granted to the Commissioner under this
25 Section for the purpose of administering this Act and
26 any rule promulgated in accordance with this Act and

1 otherwise to authorize, in writing, an officer or
2 employee of the Office of Banks and Real Estate to
3 exercise his powers under this Act.

4 (d) To subpoena witnesses, to compel their
5 attendance, to administer an oath, to examine any
6 person under oath, and to require the production of any
7 relevant books, papers, accounts, and documents in the
8 course of and pursuant to any investigation being
9 conducted, or any action being taken, by the
10 Commissioner in respect of any matter relating to the
11 duties imposed upon, or the powers vested in, the
12 Commissioner under the provisions of this Act or any
13 rule promulgated in accordance with this Act.

14 (e) To conduct hearings.

15 (7) Whenever, in the opinion of the Secretary, any
16 director, officer, employee, or agent of a State bank or
17 any subsidiary or bank holding company of the bank or,
18 after May 31, 1997, of any branch of an out-of-state bank
19 or any subsidiary or bank holding company of the bank shall
20 have violated any law, rule, or order relating to that bank
21 or any subsidiary or bank holding company of the bank,
22 shall have obstructed or impeded any examination or
23 investigation by the Secretary, shall have engaged in an
24 unsafe or unsound practice in conducting the business of
25 that bank or any subsidiary or bank holding company of the
26 bank, or shall have violated any law or engaged or

1 participated in any unsafe or unsound practice in
2 connection with any financial institution or other
3 business entity such that the character and fitness of the
4 director, officer, employee, or agent does not assure
5 reasonable promise of safe and sound operation of the State
6 bank, the Secretary may issue an order of removal. If, in
7 the opinion of the Secretary, any former director, officer,
8 employee, or agent of a State bank or any subsidiary or
9 bank holding company of the bank, prior to the termination
10 of his or her service with that bank or any subsidiary or
11 bank holding company of the bank, violated any law, rule,
12 or order relating to that State bank or any subsidiary or
13 bank holding company of the bank, obstructed or impeded any
14 examination or investigation by the Secretary, engaged in
15 an unsafe or unsound practice in conducting the business of
16 that bank or any subsidiary or bank holding company of the
17 bank, or violated any law or engaged or participated in any
18 unsafe or unsound practice in connection with any financial
19 institution or other business entity such that the
20 character and fitness of the director, officer, employee,
21 or agent would not have assured reasonable promise of safe
22 and sound operation of the State bank, the Secretary may
23 issue an order prohibiting that person from further service
24 with a bank or any subsidiary or bank holding company of
25 the bank as a director, officer, employee, or agent. An
26 order issued pursuant to this subsection shall be served

1 upon the director, officer, employee, or agent. A copy of
2 the order shall be sent to each director of the bank
3 affected by registered mail. A copy of the order shall also
4 be served upon the bank of which he is a director, officer,
5 employee, or agent, whereupon he shall cease to be a
6 director, officer, employee, or agent of that bank. The
7 Secretary may institute a civil action against the
8 director, officer, or agent of the State bank or, after May
9 31, 1997, of the branch of the out-of-state bank against
10 whom any order provided for by this subsection (7) of this
11 Section 48 has been issued, and against the State bank or,
12 after May 31, 1997, out-of-state bank, to enforce
13 compliance with or to enjoin any violation of the terms of
14 the order. Any person who has been the subject of an order
15 of removal or an order of prohibition issued by the
16 Secretary under this subsection or Section 5-6 of the
17 Corporate Fiduciary Act may not thereafter serve as
18 director, officer, employee, or agent of any State bank or
19 of any branch of any out-of-state bank, or of any corporate
20 fiduciary, as defined in Section 1-5.05 of the Corporate
21 Fiduciary Act, or of any other entity that is subject to
22 licensure or regulation by the Division of Banking unless
23 the Secretary has granted prior approval in writing.

24 For purposes of this paragraph (7), "bank holding
25 company" has the meaning prescribed in Section 2 of the
26 Illinois Bank Holding Company Act of 1957.

1 (7.5) Notwithstanding the provisions of this Section,
2 the Secretary shall not:

3 (1) issue an order against a State bank or any
4 subsidiary organized under this Act for unsafe or
5 unsound banking practices solely because the entity
6 provides or has provided financial services to a
7 cannabis-related legitimate business;

8 (2) prohibit, penalize, or otherwise discourage a
9 State bank or any subsidiary from providing financial
10 services to a cannabis-related legitimate business
11 solely because the entity provides or has provided
12 financial services to a cannabis-related legitimate
13 business;

14 (3) recommend, incentivize, or encourage a State
15 bank or any subsidiary not to offer financial services
16 to an account holder or to downgrade or cancel the
17 financial services offered to an account holder solely
18 because:

19 (A) the account holder is a manufacturer or
20 producer, or is the owner, operator, or employee of
21 a cannabis-related legitimate business;

22 (B) the account holder later becomes an owner
23 or operator of a cannabis-related legitimate
24 business; or

25 (C) the State bank or any subsidiary was not
26 aware that the account holder is the owner or

1 operator of a cannabis-related legitimate
2 business; and
3 (4) take any adverse or corrective supervisory
4 action on a loan made to an owner or operator of:

5 (A) a cannabis-related legitimate business
6 solely because the owner or operator owns or
7 operates a cannabis-related legitimate business;
8 or

9 (B) real estate or equipment that is leased to
10 a cannabis-related legitimate business solely
11 because the owner or operator of the real estate or
12 equipment leased the equipment or real estate to a
13 cannabis-related legitimate business.

14 (8) The Commissioner may impose civil penalties of up
15 to \$100,000 against any person for each violation of any
16 provision of this Act, any rule promulgated in accordance
17 with this Act, any order of the Commissioner, or any other
18 action which in the Commissioner's discretion is an unsafe
19 or unsound banking practice.

20 (9) The Commissioner may impose civil penalties of up
21 to \$100 against any person for the first failure to comply
22 with reporting requirements set forth in the report of
23 examination of the bank and up to \$200 for the second and
24 subsequent failures to comply with those reporting
25 requirements.

26 (10) All final administrative decisions of the

1 Commissioner hereunder shall be subject to judicial review
2 pursuant to the provisions of the Administrative Review
3 Law. For matters involving administrative review, venue
4 shall be in either Sangamon County or Cook County.

5 (11) The endowment fund for the Illinois Bank
6 Examiners' Education Foundation shall be administered as
7 follows:

8 (a) (Blank).

9 (b) The Foundation is empowered to receive
10 voluntary contributions, gifts, grants, bequests, and
11 donations on behalf of the Illinois Bank Examiners'
12 Education Foundation from national banks and other
13 persons for the purpose of funding the endowment of the
14 Illinois Bank Examiners' Education Foundation.

15 (c) The aggregate of all special educational fees
16 collected by the Secretary and property received by the
17 Secretary on behalf of the Illinois Bank Examiners'
18 Education Foundation under this subsection (11) on or
19 after June 30, 1986, shall be either (i) promptly paid
20 after receipt of the same, accompanied by a detailed
21 statement thereof, into the State Treasury and shall be
22 set apart in a special fund to be known as "The
23 Illinois Bank Examiners' Education Fund" to be
24 invested by either the Treasurer of the State of
25 Illinois in the Public Treasurers' Investment Pool or
26 in any other investment he is authorized to make or by

1 the Illinois State Board of Investment as the State
2 Banking Board of Illinois may direct or (ii) deposited
3 into an account maintained in a commercial bank or
4 corporate fiduciary in the name of the Illinois Bank
5 Examiners' Education Foundation pursuant to the order
6 and direction of the Board of Trustees of the Illinois
7 Bank Examiners' Education Foundation.

8 (12) (Blank).

9 (13) The Secretary may borrow funds from the General
10 Revenue Fund on behalf of the Bank and Trust Company Fund
11 if the Director of Banking certifies to the Governor that
12 there is an economic emergency affecting banking that
13 requires a borrowing to provide additional funds to the
14 Bank and Trust Company Fund. The borrowed funds shall be
15 paid back within 3 years and shall not exceed the total
16 funding appropriated to the Agency in the previous year.

17 (14) In addition to the fees authorized in this Act,
18 the Secretary may assess reasonable receivership fees
19 against any State bank that does not maintain insurance
20 with the Federal Deposit Insurance Corporation. All fees
21 collected under this subsection (14) shall be paid into the
22 Non-insured Institutions Receivership account in the Bank
23 and Trust Company Fund, as established by the Secretary.
24 The fees assessed under this subsection (14) shall provide
25 for the expenses that arise from the administration of the
26 receivership of any such institution required to pay into

1 the Non-insured Institutions Receivership account, whether
2 pursuant to this Act, the Corporate Fiduciary Act, the
3 Foreign Banking Office Act, or any other Act that requires
4 payments into the Non-insured Institutions Receivership
5 account. The Secretary may establish by rule a reasonable
6 manner of assessing fees under this subsection (14).

7 (Source: P.A. 99-39, eff. 1-1-16; 100-22, eff. 1-1-18.)

8 Section 900-33. The Illinois Credit Union Act is amended by
9 changing Section 8 as follows:

10 (205 ILCS 305/8) (from Ch. 17, par. 4409)

11 Sec. 8. Secretary's powers and duties. Credit unions are
12 regulated by the Department. The Secretary in executing the
13 powers and discharging the duties vested by law in the
14 Department has the following powers and duties:

15 (1) To exercise the rights, powers and duties set forth
16 in this Act or any related Act. The Director shall oversee
17 the functions of the Division and report to the Secretary,
18 with respect to the Director's exercise of any of the
19 rights, powers, and duties vested by law in the Secretary
20 under this Act. All references in this Act to the Secretary
21 shall be deemed to include the Director, as a person
22 authorized by the Secretary or this Act to assume
23 responsibility for the oversight of the functions of the
24 Department relating to the regulatory supervision of

1 credit unions under this Act.

2 (2) To prescribe rules and regulations for the
3 administration of this Act. The provisions of the Illinois
4 Administrative Procedure Act are hereby expressly adopted
5 and incorporated herein as though a part of this Act, and
6 shall apply to all administrative rules and procedures of
7 the Department under this Act.

8 (3) To direct and supervise all the administrative and
9 technical activities of the Department including the
10 employment of a Credit Union Supervisor who shall have
11 knowledge in the theory and practice of, or experience in,
12 the operations or supervision of financial institutions,
13 preferably credit unions, and such other persons as are
14 necessary to carry out his functions. The Secretary shall
15 ensure that all examiners appointed or assigned to examine
16 the affairs of State-chartered credit unions possess the
17 necessary training and continuing education to effectively
18 execute their jobs.

19 (4) To issue cease and desist orders when in the
20 opinion of the Secretary, a credit union is engaged or has
21 engaged, or the Secretary has reasonable cause to believe
22 the credit union is about to engage, in an unsafe or
23 unsound practice, or is violating or has violated or the
24 Secretary has reasonable cause to believe is about to
25 violate a law, rule or regulation or any condition imposed
26 in writing by the Department.

1 (5) To suspend from office and to prohibit from further
2 participation in any manner in the conduct of the affairs
3 of his credit union any director, officer or committee
4 member who has committed any violation of a law, rule,
5 regulation or of a cease and desist order or who has
6 engaged or participated in any unsafe or unsound practice
7 in connection with the credit union or who has committed or
8 engaged in any act, omission, or practice which constitutes
9 a breach of his fiduciary duty as such director, officer or
10 committee member, when the Secretary has determined that
11 such action or actions have resulted or will result in
12 substantial financial loss or other damage that seriously
13 prejudices the interests of the members.

14 (6) To assess a civil penalty against a credit union
15 provided that:

16 (A) the Secretary reasonably determines, based on
17 objective facts and an accurate assessment of
18 applicable legal standards, that the credit union has:

19 (i) committed a violation of this Act, any rule
20 adopted in accordance with this Act, or any order
21 of the Secretary issued pursuant to his or her
22 authority under this Act; or

23 (ii) engaged or participated in any unsafe or
24 unsound practice;

25 (B) before a civil penalty is assessed under this
26 item (6), the Secretary must make the further

1 reasonable determination, based on objective facts and
2 an accurate assessment of applicable legal standards,
3 that the credit union's action constituting a
4 violation under subparagraph (i) of paragraph (A) of
5 item (6) or an unsafe and unsound practice under
6 subparagraph (ii) of paragraph (A) of item (6):

7 (i) directly resulted in a substantial and
8 material financial loss or created a reasonable
9 probability that a substantial and material
10 financial loss will directly result; or

11 (ii) constituted willful misconduct or a
12 material breach of fiduciary duty of any director,
13 officer, or committee member of the credit union;

14 Material financial loss, as referenced in this
15 paragraph (B), shall be assessed in light of
16 surrounding circumstances and the relative size and
17 nature of the financial loss or probable financial
18 loss. Certain benchmarks shall be used in determining
19 whether financial loss is material, such as a
20 percentage of total assets or total gross income for
21 the immediately preceding 12-month period. Absent
22 compelling and extraordinary circumstances, no civil
23 penalty shall be assessed, unless the financial loss or
24 probable financial loss is equal to or greater than
25 either 1% of the credit union's total assets for the
26 immediately preceding 12-month period, or 1% of the

1 credit union's total gross income for the immediately
2 preceding 12-month period, whichever is less;

3 (C) before a civil penalty is assessed under this
4 item (6), the credit union must be expressly advised in
5 writing of the:

6 (i) specific violation that could subject it
7 to a penalty under this item (6); and

8 (ii) ~~the~~ specific remedial action to be taken
9 within a specific and reasonable time frame to
10 avoid imposition of the penalty;

11 (D) Civil penalties assessed under this item (6)
12 shall be remedial, not punitive, and reasonably
13 tailored to ensure future compliance by the credit
14 union with the provisions of this Act and any rules
15 adopted pursuant to this Act;

16 (E) a credit union's failure to take timely
17 remedial action with respect to the specific violation
18 may result in the issuance of an order assessing a
19 civil penalty up to the following maximum amount, based
20 upon the total assets of the credit union:

21 (i) Credit unions with assets of less than \$10
22 million..... \$1,000

23 (ii) Credit unions with assets of at least \$10
24 million and less than \$50 million \$2,500

25 (iii) Credit unions with assets of at least \$50
26 million and less than \$100 million \$5,000

1 (iv) Credit unions with assets of at least \$100
2 million and less than \$500 million \$10,000

3 (v) Credit unions with assets of at least \$500
4 million and less than \$1 billion \$25,000

5 (vi) Credit unions with assets of \$1 billion
6 and greater..... \$50,000; and

7 (F) an order assessing a civil penalty under this
8 item (6) shall take effect upon service of the order,
9 unless the credit union makes a written request for a
10 hearing under 38 IL. Adm. Code 190.20 of the
11 Department's rules for credit unions within 90 days
12 after issuance of the order; in that event, the order
13 shall be stayed until a final administrative order is
14 entered.

15 This item (6) shall not apply to violations separately
16 addressed in rules as authorized under item (7) of this
17 Section.

18 (7) Except for the fees established in this Act, to
19 prescribe, by rule and regulation, fees and penalties for
20 preparing, approving, and filing reports and other
21 documents; furnishing transcripts; holding hearings;
22 investigating applications for permission to organize,
23 merge, or convert; failure to maintain accurate books and
24 records to enable the Department to conduct an examination;
25 and taking supervisory actions.

26 (8) To destroy, in his discretion, any or all books and

1 records of any credit union in his possession or under his
2 control after the expiration of three years from the date
3 of cancellation of the charter of such credit unions.

4 (9) To make investigations and to conduct research and
5 studies and to publish some of the problems of persons in
6 obtaining credit at reasonable rates of interest and of the
7 methods and benefits of cooperative saving and lending for
8 such persons.

9 (10) To authorize, foster or establish experimental,
10 developmental, demonstration or pilot projects by public
11 or private organizations including credit unions which:

12 (a) promote more effective operation of credit
13 unions so as to provide members an opportunity to use
14 and control their own money to improve their economic
15 and social conditions; or

16 (b) are in the best interests of credit unions,
17 their members and the people of the State of Illinois.

18 (11) To cooperate in studies, training or other
19 administrative activities with, but not limited to, the
20 NCUA, other state credit union regulatory agencies and
21 industry trade associations in order to promote more
22 effective and efficient supervision of Illinois chartered
23 credit unions.

24 (12) Notwithstanding the provisions of this Section,
25 the Secretary shall not:

26 (1) issue an order against a credit union organized

1 under this Act for unsafe or unsound banking practices
2 solely because the entity provides or has provided
3 financial services to a cannabis-related legitimate
4 business;

5 (2) prohibit, penalize, or otherwise discourage a
6 credit union from providing financial services to a
7 cannabis-related legitimate business solely because
8 the entity provides or has provided financial services
9 to a cannabis-related legitimate business;

10 (3) recommend, incentivize, or encourage a credit
11 union not to offer financial services to an account
12 holder or to downgrade or cancel the financial services
13 offered to an account holder solely because:

14 (A) the account holder is a manufacturer or
15 producer, or is the owner, operator, or employee of
16 a cannabis-related legitimate business;

17 (B) the account holder later becomes an owner
18 or operator of a cannabis-related legitimate
19 business; or

20 (C) the credit union was not aware that the
21 account holder is the owner or operator of a
22 cannabis-related legitimate business; and

23 (4) take any adverse or corrective supervisory
24 action on a loan made to an owner or operator of:

25 (A) a cannabis-related legitimate business
26 solely because the owner or operator owns or

- 1 (3) The amount of tax due;
- 2 (4) The signature of the taxpayer; and
- 3 (5) Such other reasonable information as the
- 4 Department may require.

5 If a taxpayer fails to sign a return within 30 days after

6 the proper notice and demand for signature by the Department,

7 the return shall be considered valid and any amount shown to be

8 due on the return shall be deemed assessed.

9 The taxpayer shall remit the amount of the tax due to the

10 Department at the time the taxpayer files his or her return.

11 (b) Beginning on the effective date of this amendatory Act

12 of the 101st General Assembly, Section 65-20 of the Cannabis

13 Regulation and Tax Act shall apply to returns filed and taxes

14 paid under this Act to the same extent as if those provisions

15 were set forth in full in this Section.

16 (Source: P.A. 98-122, eff. 1-1-14.)

17 Section 900-38. The Illinois Vehicle Code is amended by

18 changing Sections 2-118.2, 11-501.2, 11-501.9, and 11-502.1

19 and by adding Sections 11-501.10 and 11-502.15 as follows:

20 (625 ILCS 5/2-118.2)

21 Sec. 2-118.2. Opportunity for hearing; ~~medical~~

22 cannabis-related suspension under Section 11-501.9.

23 (a) A suspension of driving privileges under Section

24 11-501.9 of this Code shall not become effective until the

1 person is notified in writing of the impending suspension and
2 informed that he or she may request a hearing in the circuit
3 court of venue under subsection (b) of this Section and the
4 suspension shall become effective as provided in Section
5 11-501.9.

6 (b) Within 90 days after the notice of suspension served
7 under Section 11-501.9, the person may make a written request
8 for a judicial hearing in the circuit court of venue. The
9 request to the circuit court shall state the grounds upon which
10 the person seeks to have the suspension rescinded. Within 30
11 days after receipt of the written request or the first
12 appearance date on the Uniform Traffic Ticket issued for a
13 violation of Section 11-501 of this Code, or a similar
14 provision of a local ordinance, the hearing shall be conducted
15 by the circuit court having jurisdiction. This judicial
16 hearing, request, or process shall not stay or delay the
17 suspension. The hearing shall proceed in the court in the same
18 manner as in other civil proceedings.

19 The hearing may be conducted upon a review of the law
20 enforcement officer's own official reports; provided however,
21 that the person may subpoena the officer. Failure of the
22 officer to answer the subpoena shall be considered grounds for
23 a continuance if in the court's discretion the continuance is
24 appropriate.

25 The scope of the hearing shall be limited to the issues of:

26 ~~(1) Whether the person was issued a registry~~

1 ~~identification card under the Compassionate Use of Medical~~
2 ~~Cannabis Pilot Program Act; and~~

3 (1) ~~(2)~~ Whether the officer had reasonable suspicion to
4 believe that the person was driving or in actual physical
5 control of a motor vehicle upon a highway while impaired by
6 the use of cannabis; and

7 (2) ~~(3)~~ Whether the person, after being advised by the
8 officer that the privilege to operate a motor vehicle would
9 be suspended if the person refused to submit to and
10 complete the field sobriety tests, did refuse to submit to
11 or complete the field sobriety tests authorized under
12 Section 11-501.9; and

13 (3) ~~(4)~~ Whether the person after being advised by the
14 officer that the privilege to operate a motor vehicle would
15 be suspended if the person submitted to field sobriety
16 tests that disclosed the person was impaired by the use of
17 cannabis, did submit to field sobriety tests that disclosed
18 that the person was impaired by the use of cannabis.

19 Upon the conclusion of the judicial hearing, the circuit
20 court shall sustain or rescind the suspension and immediately
21 notify the Secretary of State. Reports received by the
22 Secretary of State under this Section shall be privileged
23 information and for use only by the courts, police officers,
24 and Secretary of State.

25 (Source: P.A. 98-1172, eff. 1-12-15.)

1 (625 ILCS 5/11-501.2) (from Ch. 95 1/2, par. 11-501.2)

2 Sec. 11-501.2. Chemical and other tests.

3 (a) Upon the trial of any civil or criminal action or
4 proceeding arising out of an arrest for an offense as defined
5 in Section 11-501 or a similar local ordinance or proceedings
6 pursuant to Section 2-118.1, evidence of the concentration of
7 alcohol, other drug or drugs, or intoxicating compound or
8 compounds, or any combination thereof in a person's blood or
9 breath at the time alleged, as determined by analysis of the
10 person's blood, urine, breath, or other bodily substance, shall
11 be admissible. Where such test is made the following provisions
12 shall apply:

13 1. Chemical analyses of the person's blood, urine,
14 breath, or other bodily substance to be considered valid
15 under the provisions of this Section shall have been
16 performed according to standards promulgated by the
17 Department of State Police by a licensed physician,
18 registered nurse, trained phlebotomist, licensed
19 paramedic, or other individual possessing a valid permit
20 issued by that Department for this purpose. The Director of
21 State Police is authorized to approve satisfactory
22 techniques or methods, to ascertain the qualifications and
23 competence of individuals to conduct such analyses, to
24 issue permits which shall be subject to termination or
25 revocation at the discretion of that Department and to
26 certify the accuracy of breath testing equipment. The

1 Department of State Police shall prescribe regulations as
2 necessary to implement this Section.

3 2. When a person in this State shall submit to a blood
4 test at the request of a law enforcement officer under the
5 provisions of Section 11-501.1, only a physician
6 authorized to practice medicine, a licensed physician
7 assistant, a licensed advanced practice registered nurse,
8 a registered nurse, trained phlebotomist, or licensed
9 paramedic, or other qualified person approved by the
10 Department of State Police may withdraw blood for the
11 purpose of determining the alcohol, drug, or alcohol and
12 drug content therein. This limitation shall not apply to
13 the taking of breath, other bodily substance, or urine
14 specimens.

15 When a blood test of a person who has been taken to an
16 adjoining state for medical treatment is requested by an
17 Illinois law enforcement officer, the blood may be
18 withdrawn only by a physician authorized to practice
19 medicine in the adjoining state, a licensed physician
20 assistant, a licensed advanced practice registered nurse,
21 a registered nurse, a trained phlebotomist acting under the
22 direction of the physician, or licensed paramedic. The law
23 enforcement officer requesting the test shall take custody
24 of the blood sample, and the blood sample shall be analyzed
25 by a laboratory certified by the Department of State Police
26 for that purpose.

1 3. The person tested may have a physician, or a
2 qualified technician, chemist, registered nurse, or other
3 qualified person of their own choosing administer a
4 chemical test or tests in addition to any administered at
5 the direction of a law enforcement officer. The failure or
6 inability to obtain an additional test by a person shall
7 not preclude the admission of evidence relating to the test
8 or tests taken at the direction of a law enforcement
9 officer.

10 4. Upon the request of the person who shall submit to a
11 chemical test or tests at the request of a law enforcement
12 officer, full information concerning the test or tests
13 shall be made available to the person or such person's
14 attorney.

15 5. Alcohol concentration shall mean either grams of
16 alcohol per 100 milliliters of blood or grams of alcohol
17 per 210 liters of breath.

18 6. Tetrahydrocannabinol concentration means either 5
19 nanograms or more of delta-9-tetrahydrocannabinol per
20 milliliter of whole blood or 10 nanograms or more of
21 delta-9-tetrahydrocannabinol per milliliter of other
22 bodily substance.

23 (a-5) Law enforcement officials may use validated roadside
24 chemical tests or standardized field sobriety tests approved by
25 the National Highway Traffic Safety Administration when
26 conducting investigations of a violation of Section 11-501 or

1 similar local ordinance by drivers suspected of driving under
2 the influence of cannabis. The General Assembly finds that (i)
3 validated roadside chemical tests are effective means to
4 determine if a person is under the influence of cannabis and
5 (ii) standardized field sobriety tests approved by the National
6 Highway Traffic Safety Administration are divided attention
7 tasks that are intended to determine if a person is under the
8 influence of cannabis. The purpose of these tests is to
9 determine the effect of the use of cannabis on a person's
10 capacity to think and act with ordinary care and therefore
11 operate a motor vehicle safely. Therefore, the results of these
12 validated roadside chemical tests and standardized field
13 sobriety tests, appropriately administered, shall be
14 admissible in the trial of any civil or criminal action or
15 proceeding arising out of an arrest for a cannabis-related
16 offense as defined in Section 11-501 or a similar local
17 ordinance or proceedings under Section 2-118.1 or 2-118.2.
18 Where a test is made the following provisions shall apply:

19 1. The person tested may have a physician, or a
20 qualified technician, chemist, registered nurse, or other
21 qualified person of their own choosing administer a
22 chemical test or tests in addition to the standardized
23 field sobriety test or tests administered at the direction
24 of a law enforcement officer. The failure or inability to
25 obtain an additional test by a person does not preclude the
26 admission of evidence relating to the test or tests taken

1 at the direction of a law enforcement officer.

2 2. Upon the request of the person who shall submit to
3 validated roadside chemical tests or a standardized field
4 sobriety test or tests at the request of a law enforcement
5 officer, full information concerning the test or tests
6 shall be made available to the person or the person's
7 attorney.

8 3. At the trial of any civil or criminal action or
9 proceeding arising out of an arrest for an offense as
10 defined in Section 11-501 or a similar local ordinance or
11 proceedings under Section 2-118.1 or 2-118.2 in which the
12 results of these validated roadside chemical tests or
13 standardized field sobriety tests are admitted, the person
14 ~~cardholder~~ may present and the trier of fact may consider
15 evidence that the person ~~card holder~~ lacked the physical
16 capacity to perform the validated roadside chemical tests
17 or standardized field sobriety tests.

18 (b) Upon the trial of any civil or criminal action or
19 proceeding arising out of acts alleged to have been committed
20 by any person while driving or in actual physical control of a
21 vehicle while under the influence of alcohol, the concentration
22 of alcohol in the person's blood or breath at the time alleged
23 as shown by analysis of the person's blood, urine, breath, or
24 other bodily substance shall give rise to the following
25 presumptions:

26 1. If there was at that time an alcohol concentration

1 of 0.05 or less, it shall be presumed that the person was
2 not under the influence of alcohol.

3 2. If there was at that time an alcohol concentration
4 in excess of 0.05 but less than 0.08, such facts shall not
5 give rise to any presumption that the person was or was not
6 under the influence of alcohol, but such fact may be
7 considered with other competent evidence in determining
8 whether the person was under the influence of alcohol.

9 3. If there was at that time an alcohol concentration
10 of 0.08 or more, it shall be presumed that the person was
11 under the influence of alcohol.

12 4. The foregoing provisions of this Section shall not
13 be construed as limiting the introduction of any other
14 relevant evidence bearing upon the question whether the
15 person was under the influence of alcohol.

16 (b-5) Upon the trial of any civil or criminal action or
17 proceeding arising out of acts alleged to have been committed
18 by any person while driving or in actual physical control of a
19 vehicle while under the influence of alcohol, other drug or
20 drugs, intoxicating compound or compounds or any combination
21 thereof, the concentration of cannabis in the person's whole
22 blood or other bodily substance at the time alleged as shown by
23 analysis of the person's blood or other bodily substance shall
24 give rise to the following presumptions:

25 1. If there was a tetrahydrocannabinol concentration
26 of 5 nanograms or more in whole blood or 10 nanograms or

1 more in an other bodily substance as defined in this
2 Section, it shall be presumed that the person was under the
3 influence of cannabis.

4 2. If there was at that time a tetrahydrocannabinol
5 concentration of less than 5 nanograms in whole blood or
6 less than 10 nanograms in an other bodily substance, such
7 facts shall not give rise to any presumption that the
8 person was or was not under the influence of cannabis, but
9 such fact may be considered with other competent evidence
10 in determining whether the person was under the influence
11 of cannabis.

12 (c) 1. If a person under arrest refuses to submit to a
13 chemical test under the provisions of Section 11-501.1,
14 evidence of refusal shall be admissible in any civil or
15 criminal action or proceeding arising out of acts alleged to
16 have been committed while the person under the influence of
17 alcohol, other drug or drugs, or intoxicating compound or
18 compounds, or any combination thereof was driving or in actual
19 physical control of a motor vehicle.

20 2. Notwithstanding any ability to refuse under this Code to
21 submit to these tests or any ability to revoke the implied
22 consent to these tests, if a law enforcement officer has
23 probable cause to believe that a motor vehicle driven by or in
24 actual physical control of a person under the influence of
25 alcohol, other drug or drugs, or intoxicating compound or
26 compounds, or any combination thereof has caused the death or

1 personal injury to another, the law enforcement officer shall
2 request, and that person shall submit, upon the request of a
3 law enforcement officer, to a chemical test or tests of his or
4 her blood, breath, other bodily substance, or urine for the
5 purpose of determining the alcohol content thereof or the
6 presence of any other drug or combination of both.

7 This provision does not affect the applicability of or
8 imposition of driver's license sanctions under Section
9 11-501.1 of this Code.

10 3. For purposes of this Section, a personal injury includes
11 any Type A injury as indicated on the traffic accident report
12 completed by a law enforcement officer that requires immediate
13 professional attention in either a doctor's office or a medical
14 facility. A Type A injury includes severe bleeding wounds,
15 distorted extremities, and injuries that require the injured
16 party to be carried from the scene.

17 (d) If a person refuses validated roadside chemical tests
18 or standardized field sobriety tests under Section 11-501.9 of
19 this Code, evidence of refusal shall be admissible in any civil
20 or criminal action or proceeding arising out of acts committed
21 while the person was driving or in actual physical control of a
22 vehicle and alleged to have been impaired by the use of
23 cannabis.

24 (e) Department of State Police compliance with the changes
25 in this amendatory Act of the 99th General Assembly concerning
26 testing of other bodily substances and tetrahydrocannabinol

1 concentration by Department of State Police laboratories is
2 subject to appropriation and until the Department of State
3 Police adopt standards and completion validation. Any
4 laboratories that test for the presence of cannabis or other
5 drugs under this Article, the Snowmobile Registration and
6 Safety Act, or the Boat Registration and Safety Act must comply
7 with ISO/IEC 17025:2005.

8 (Source: P.A. 99-697, eff. 7-29-16; 100-513, eff. 1-1-18.)

9 (625 ILCS 5/11-501.9)

10 Sec. 11-501.9. Suspension of driver's license; failure or
11 refusal of validated roadside chemical tests ~~medical cannabis~~
12 ~~card holder~~; failure or refusal of field sobriety tests;
13 implied consent.

14 (a) A person ~~who has been issued a registry identification~~
15 ~~card under the Compassionate Use of Medical Cannabis Pilot~~
16 ~~Program Act~~ who drives or is in actual physical control of a
17 motor vehicle upon the public highways of this State shall be
18 deemed to have given consent to (i) validated roadside chemical
19 tests or (ii) standardized field sobriety tests approved by the
20 National Highway Traffic Safety Administration, under
21 subsection (a-5) of Section 11-501.2 of this Code, if detained
22 by a law enforcement officer who has a reasonable suspicion
23 that the person is driving or is in actual physical control of
24 a motor vehicle while impaired by the use of cannabis. The law
25 enforcement officer must have an independent, cannabis-related

1 factual basis giving reasonable suspicion that the person is
2 driving or in actual physical control of a motor vehicle while
3 impaired by the use of cannabis for conducting validated
4 roadside chemical tests or standardized field sobriety tests,
5 which shall be included with the results of the validated
6 roadside chemical tests and field sobriety tests in any report
7 made by the law enforcement officer who requests the test. The
8 person's possession of a registry identification card issued
9 under the Compassionate Use of Medical Cannabis Pilot Program
10 Act alone is not a sufficient basis for reasonable suspicion.

11 For purposes of this Section, a law enforcement officer of
12 this State who is investigating a person for an offense under
13 Section 11-501 of this Code may travel into an adjoining state
14 where the person has been transported for medical care to
15 complete an investigation and to request that the person submit
16 to field sobriety tests under this Section.

17 (b) A person who is unconscious, or otherwise in a
18 condition rendering the person incapable of refusal, shall be
19 deemed to have withdrawn the consent provided by subsection (a)
20 of this Section.

21 (c) A person requested to submit to validated roadside
22 chemical tests or field sobriety tests, as provided in this
23 Section, shall be warned by the law enforcement officer
24 requesting the field sobriety tests that a refusal to submit to
25 the validated roadside chemical tests or field sobriety tests
26 will result in the suspension of the person's privilege to

1 operate a motor vehicle, as provided in subsection (f) of this
2 Section. The person shall also be warned by the law enforcement
3 officer that if the person submits to validated roadside
4 chemical tests or field sobriety tests as provided in this
5 Section which disclose the person is impaired by the use of
6 cannabis, a suspension of the person's privilege to operate a
7 motor vehicle, as provided in subsection (f) of this Section,
8 will be imposed.

9 (d) The results of validated roadside chemical tests or
10 field sobriety tests administered under this Section shall be
11 admissible in a civil or criminal action or proceeding arising
12 from an arrest for an offense as defined in Section 11-501 of
13 this Code or a similar provision of a local ordinance. These
14 test results shall be admissible only in actions or proceedings
15 directly related to the incident upon which the test request
16 was made.

17 (e) If the person refuses validated roadside chemical tests
18 or field sobriety tests or submits to validated roadside
19 chemical tests or field sobriety tests that disclose the person
20 is impaired by the use of cannabis, the law enforcement officer
21 shall immediately submit a sworn report to the circuit court of
22 venue and the Secretary of State certifying that testing was
23 requested under this Section and that the person refused to
24 submit to validated roadside chemical tests or field sobriety
25 tests or submitted to validated roadside chemical tests or
26 field sobriety tests that disclosed the person was impaired by

1 the use of cannabis. The sworn report must include the law
2 enforcement officer's factual basis for reasonable suspicion
3 that the person was impaired by the use of cannabis.

4 (f) Upon receipt of the sworn report of a law enforcement
5 officer submitted under subsection (e) of this Section, the
6 Secretary of State shall enter the suspension to the driving
7 record as follows:

8 (1) for refusal or failure to complete validated
9 roadside chemical tests or field sobriety tests, a 12 month
10 suspension shall be entered; or

11 (2) for submitting to validated roadside chemical
12 tests or field sobriety tests that disclosed the driver was
13 impaired by the use of cannabis, a 6 month suspension shall
14 be entered.

15 The Secretary of State shall confirm the suspension by
16 mailing a notice of the effective date of the suspension to the
17 person and the court of venue. However, should the sworn report
18 be defective for insufficient information or be completed in
19 error, the confirmation of the suspension shall not be mailed
20 to the person or entered to the record; instead, the sworn
21 report shall be forwarded to the court of venue with a copy
22 returned to the issuing agency identifying the defect.

23 (g) The law enforcement officer submitting the sworn report
24 under subsection (e) of this Section shall serve immediate
25 notice of the suspension on the person and the suspension shall
26 be effective as provided in subsection (h) of this Section. If

1 immediate notice of the suspension cannot be given, the
2 arresting officer or arresting agency shall give notice by
3 deposit in the United States mail of the notice in an envelope
4 with postage prepaid and addressed to the person at his or her
5 address as shown on the Uniform Traffic Ticket and the
6 suspension shall begin as provided in subsection (h) of this
7 Section. The officer shall confiscate any Illinois driver's
8 license or permit on the person at the time of arrest. If the
9 person has a valid driver's license or permit, the officer
10 shall issue the person a receipt, in a form prescribed by the
11 Secretary of State, that will allow the person to drive during
12 the period provided for in subsection (h) of this Section. The
13 officer shall immediately forward the driver's license or
14 permit to the circuit court of venue along with the sworn
15 report under subsection (e) of this Section.

16 (h) The suspension under subsection (f) of this Section
17 shall take effect on the 46th day following the date the notice
18 of the suspension was given to the person.

19 (i) When a driving privilege has been suspended under this
20 Section and the person is subsequently convicted of violating
21 Section 11-501 of this Code, or a similar provision of a local
22 ordinance, for the same incident, any period served on
23 suspension under this Section shall be credited toward the
24 minimum period of revocation of driving privileges imposed
25 under Section 6-205 of this Code.

26 (Source: P.A. 98-1172, eff. 1-12-15.)

1 (625 ILCS 5/11-501.10 new)

2 Sec. 11-501.10. DUI Cannabis Task Force.

3 (a) The DUI Cannabis Task Force is hereby created to study
4 the issue of driving under the influence of cannabis. The Task
5 Force shall consist of the following members:

6 (1) The Director of State Police, or his or her
7 designee, who shall serve as chair;

8 (2) The Secretary of State, or his or her designee;

9 (3) The President of the Illinois State's Attorneys
10 Association, or his or her designee;

11 (4) The President of the Illinois Association of
12 Criminal Defense Lawyers, or his or her designee;

13 (5) One member appointed by the Speaker of the House of
14 Representatives;

15 (6) One member appointed by the Minority Leader of the
16 House of Representatives;

17 (7) One member appointed by the President of the
18 Senate;

19 (8) One member appointed by the Minority Leader of the
20 Senate;

21 (9) One member of an organization dedicated to end
22 drunk driving and drugged driving;

23 (10) The president of a statewide bar association,
24 appointed by the Governor; and

25 (11) One member of a statewide organization

1 representing civil and constitutional rights, appointed by
2 the Governor.

3 (b) The members of the Task Force shall serve without
4 compensation.

5 (c) The Task Force shall examine best practices in the area
6 of driving under the influence of cannabis enforcement,
7 including examining emerging technology in roadside testing.

8 (d) The Task Force shall meet no fewer than 3 times and
9 shall present its report and recommendations on improvements to
10 enforcement of driving under the influence of cannabis, in
11 electronic format, to the Governor and the General Assembly no
12 later than July 1, 2020.

13 (e) The Department of State Police shall provide
14 administrative support to the Task Force as needed. The
15 Sentencing Policy Advisory Council shall provide data on
16 driving under the influence of cannabis offenses and other data
17 to the Task Force as needed.

18 (f) This Section is repealed on July 1, 2021.

19 (625 ILCS 5/11-502.1)

20 Sec. 11-502.1. Possession of medical cannabis in a motor
21 vehicle.

22 (a) No driver, who is a medical cannabis cardholder, may
23 use medical cannabis within the passenger area of any motor
24 vehicle upon a highway in this State.

25 (b) No driver, who is a medical cannabis cardholder, a

1 medical cannabis designated caregiver, medical cannabis
2 cultivation center agent, or dispensing organization agent may
3 possess medical cannabis within any area of any motor vehicle
4 upon a highway in this State except in a sealed, odor-proof,
5 and child-resistant ~~tamper-evident~~ medical cannabis container.

6 (c) No passenger, who is a medical cannabis card holder, a
7 medical cannabis designated caregiver, or medical cannabis
8 dispensing organization agent may possess medical cannabis
9 within any passenger area of any motor vehicle upon a highway
10 in this State except in a sealed, odor-proof, and
11 child-resistant ~~tamper-evident~~ medical cannabis container.

12 (d) Any person who violates subsections (a) through (c) of
13 this Section:

14 (1) commits a Class A misdemeanor;

15 (2) shall be subject to revocation of his or her
16 medical cannabis card for a period of 2 years from the end
17 of the sentence imposed;

18 (4) shall be subject to revocation of his or her status
19 as a medical cannabis caregiver, medical cannabis
20 cultivation center agent, or medical cannabis dispensing
21 organization agent for a period of 2 years from the end of
22 the sentence imposed.

23 (Source: P.A. 98-122, eff. 1-1-14.)

24 (625 ILCS 5/11-502.15 new)

25 Sec. 11-502.15. Possession of adult use cannabis in a motor

1 vehicle.

2 (a) No driver may use cannabis within the passenger area of
3 any motor vehicle upon a highway in this State.

4 (b) No driver may possess cannabis within any area of any
5 motor vehicle upon a highway in this State except in a sealed,
6 odor-proof, child-resistant cannabis container.

7 (c) No passenger may possess cannabis within any passenger
8 area of any motor vehicle upon a highway in this State except
9 in a sealed, odor-proof, child-resistant cannabis container.

10 (d) Any person who knowingly violates subsection (a), (b),
11 or (c) of this Section commits a Class A misdemeanor.

12 Section 900-39. The Juvenile Court Act of 1987 is amended
13 by changing Section 5-401 as follows:

14 (705 ILCS 405/5-401)

15 Sec. 5-401. Arrest and taking into custody of a minor.

16 (1) A law enforcement officer may, without a warrant,

17 (a) arrest a minor whom the officer with probable cause
18 believes to be a delinquent minor; or

19 (b) take into custody a minor who has been adjudged a
20 ward of the court and has escaped from any commitment
21 ordered by the court under this Act; or

22 (c) take into custody a minor whom the officer
23 reasonably believes has violated the conditions of
24 probation or supervision ordered by the court.

1 (2) Whenever a petition has been filed under Section 5-520
2 and the court finds that the conduct and behavior of the minor
3 may endanger the health, person, welfare, or property of the
4 minor or others or that the circumstances of his or her home
5 environment may endanger his or her health, person, welfare or
6 property, a warrant may be issued immediately to take the minor
7 into custody.

8 (3) Except for minors accused of violation of an order of
9 the court, any minor accused of any act under federal or State
10 law, or a municipal or county ordinance that would not be
11 illegal if committed by an adult, cannot be placed in a jail,
12 municipal lockup, detention center, or secure correctional
13 facility. Juveniles accused with underage consumption and
14 underage possession of alcohol or cannabis cannot be placed in
15 a jail, municipal lockup, detention center, or correctional
16 facility.

17 (Source: P.A. 90-590, eff. 1-1-99.)

18 Section 900-40. The Cannabis Control Act is amended by
19 changing Sections 4, 5, 5.1, 5.3, and 8 as follows:

20 (720 ILCS 550/4) (from Ch. 56 1/2, par. 704)

21 Sec. 4. Except as otherwise provided in the Cannabis
22 Regulation and Tax Act, it ~~it~~ is unlawful for any person
23 knowingly to possess cannabis.

24 Any person who violates this Section ~~section~~ with respect to:

1 (a) not more than 10 grams of any substance containing
2 cannabis is guilty of a civil law violation punishable by a
3 minimum fine of \$100 and a maximum fine of \$200. The
4 proceeds of the fine shall be payable to the clerk of the
5 circuit court. Within 30 days after the deposit of the
6 fine, the clerk shall distribute the proceeds of the fine
7 as follows:

8 (1) \$10 of the fine to the circuit clerk and \$10 of
9 the fine to the law enforcement agency that issued the
10 citation; the proceeds of each \$10 fine distributed to
11 the circuit clerk and each \$10 fine distributed to the
12 law enforcement agency that issued the citation for the
13 violation shall be used to defer the cost of automatic
14 expungements under paragraph (2.5) of subsection (a)
15 of Section 5.2 of the Criminal Identification Act;

16 (2) \$15 to the county to fund drug addiction
17 services;

18 (3) \$10 to the Office of the State's Attorneys
19 Appellate Prosecutor for use in training programs;

20 (4) \$10 to the State's Attorney; and

21 (5) any remainder of the fine to the law
22 enforcement agency that issued the citation for the
23 violation.

24 With respect to funds designated for the Department of
25 State Police, the moneys shall be remitted by the circuit
26 court clerk to the Department of State Police within one

1 month after receipt for deposit into the State Police
2 Operations Assistance Fund. With respect to funds
3 designated for the Department of Natural Resources, the
4 Department of Natural Resources shall deposit the moneys
5 into the Conservation Police Operations Assistance Fund;

6 (b) more than 10 grams but not more than 30 grams of
7 any substance containing cannabis is guilty of a Class B
8 misdemeanor;

9 (c) more than 30 grams but not more than 100 grams of
10 any substance containing cannabis is guilty of a Class A
11 misdemeanor; provided, that if any offense under this
12 subsection (c) is a subsequent offense, the offender shall
13 be guilty of a Class 4 felony;

14 (d) more than 100 grams but not more than 500 grams of
15 any substance containing cannabis is guilty of a Class 4
16 felony; provided that if any offense under this subsection
17 (d) is a subsequent offense, the offender shall be guilty
18 of a Class 3 felony;

19 (e) more than 500 grams but not more than 2,000 grams
20 of any substance containing cannabis is guilty of a Class 3
21 felony;

22 (f) more than 2,000 grams but not more than 5,000 grams
23 of any substance containing cannabis is guilty of a Class 2
24 felony;

25 (g) more than 5,000 grams of any substance containing
26 cannabis is guilty of a Class 1 felony.

1 (Source: P.A. 99-697, eff. 7-29-16.)

2 (720 ILCS 550/5) (from Ch. 56 1/2, par. 705)

3 Sec. 5. Except as otherwise provided in the Cannabis
4 Regulation and Tax Act, it ~~it~~ is unlawful for any person
5 knowingly to manufacture, deliver, or possess with intent to
6 deliver, or manufacture, cannabis. Any person who violates this
7 Section ~~section~~ with respect to:

8 (a) not more than 2.5 grams of any substance containing
9 cannabis is guilty of a Class B misdemeanor;

10 (b) more than 2.5 grams but not more than 10 grams of any
11 substance containing cannabis is guilty of a Class A
12 misdemeanor;

13 (c) more than 10 grams but not more than 30 grams of any
14 substance containing cannabis is guilty of a Class 4 felony;

15 (d) more than 30 grams but not more than 500 grams of any
16 substance containing cannabis is guilty of a Class 3 felony for
17 which a fine not to exceed \$50,000 may be imposed;

18 (e) more than 500 grams but not more than 2,000 grams of
19 any substance containing cannabis is guilty of a Class 2 felony
20 for which a fine not to exceed \$100,000 may be imposed;

21 (f) more than 2,000 grams but not more than 5,000 grams of
22 any substance containing cannabis is guilty of a Class 1 felony
23 for which a fine not to exceed \$150,000 may be imposed;

24 (g) more than 5,000 grams of any substance containing
25 cannabis is guilty of a Class X felony for which a fine not to

1 exceed \$200,000 may be imposed.

2 (Source: P.A. 90-397, eff. 8-15-97.)

3 (720 ILCS 550/5.1) (from Ch. 56 1/2, par. 705.1)

4 Sec. 5.1. Cannabis Trafficking.

5 (a) Except for purposes authorized by this Act or the
6 Cannabis Regulation and Tax Act, any person who knowingly
7 brings or causes to be brought into this State for the purpose
8 of manufacture or delivery or with the intent to manufacture or
9 deliver 2,500 grams or more of cannabis in this State or any
10 other state or country is guilty of cannabis trafficking.

11 (b) A person convicted of cannabis trafficking shall be
12 sentenced to a term of imprisonment not less than twice the
13 minimum term and fined an amount as authorized by subsection
14 (f) or (g) of Section 5 of this Act, based upon the amount of
15 cannabis brought or caused to be brought into this State, and
16 not more than twice the maximum term of imprisonment and fined
17 twice the amount as authorized by subsection (f) or (g) of
18 Section 5 of this Act, based upon the amount of cannabis
19 brought or caused to be brought into this State.

20 (Source: P.A. 90-397, eff. 8-15-97.)

21 (720 ILCS 550/5.3)

22 Sec. 5.3. Unlawful use of cannabis-based product
23 manufacturing equipment.

24 (a) A person commits unlawful use of cannabis-based product

1 manufacturing equipment when he or she knowingly engages in the
2 possession, procurement, transportation, storage, or delivery
3 of any equipment used in the manufacturing of any
4 cannabis-based product using volatile or explosive gas,
5 including, but not limited to, canisters of butane gas, with
6 the intent to manufacture, compound, covert, produce, derive,
7 process, or prepare either directly or indirectly any
8 cannabis-based product.

9 (b) This Section does not apply to a cultivation center or
10 cultivation center agent that prepares medical cannabis or
11 cannabis-infused products in compliance with the Compassionate
12 Use of Medical Cannabis Pilot Program Act and Department of
13 Public Health and Department of Agriculture rules.

14 (c) Sentence. A person who violates this Section is guilty
15 of a Class 2 felony.

16 (d) This Section does not apply to craft growers,
17 cultivation centers, and infuser organizations licensed under
18 the Cannabis Regulation and Tax Act.

19 (e) This Section does not apply to manufacturers of
20 cannabis-based product manufacturing equipment or transporting
21 organizations with documentation identifying the seller and
22 purchaser of the equipment if the seller or purchaser is a
23 craft grower, cultivation center, or infuser organization
24 licensed under the Cannabis Regulation and Tax Act.

25 (Source: P.A. 99-697, eff. 7-29-16.)

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

2 Sec. 8. Except as otherwise provided in the Cannabis
3 Regulation and Tax Act, it ~~it~~ is unlawful for any person
4 knowingly to produce the Cannabis ~~cannabis~~ sativa plant or to
5 possess such plants unless production or possession has been
6 authorized pursuant to the provisions of Section 11 or 15.2 of
7 the Act. Any person who violates this Section with respect to
8 production or possession of:

9 (a) Not more than 5 plants is guilty of a civil violation
10 punishable by a minimum fine of \$100 and a maximum fine of
11 \$200. The proceeds of the fine are payable to the clerk of the
12 circuit court. Within 30 days after the deposit of the fine,
13 the clerk shall distribute the proceeds of the fine as follows:

14 (1) \$10 of the fine to the circuit clerk and \$10 of the
15 fine to the law enforcement agency that issued the
16 citation; the proceeds of each \$10 fine distributed to the
17 circuit clerk and each \$10 fine distributed to the law
18 enforcement agency that issued the citation for the
19 violation shall be used to defer the cost of automatic
20 expungements under paragraph (2.5) of subsection (a) of
21 Section 5.2 of the Criminal Identification Act;

22 (2) \$15 to the county to fund drug addiction services;

23 (3) \$10 to the Office of the State's Attorneys
24 Appellate Prosecutor for use in training programs;

25 (4) \$10 to the State's Attorney; and

26 (5) any remainder of the fine to the law enforcement

1 agency that issued the citation for the violation.

2 With respect to funds designated for the Department of
3 State Police, the moneys shall be remitted by the circuit court
4 clerk to the Department of State Police within one month after
5 receipt for deposit into the State Police Operations Assistance
6 Fund. With respect to funds designated for the Department of
7 Natural Resources, the Department of Natural Resources shall
8 deposit the moneys into the Conservation Police Operations
9 Assistance Fund. Class A misdemeanor.

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

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

14 (d) More than 50, but not more than 200 plants, is guilty
15 of a Class 2 felony for which a fine not to exceed \$100,000 may
16 be imposed and for which liability for the cost of conducting
17 the investigation and eradicating such plants may be assessed.
18 Compensation for expenses incurred in the enforcement of this
19 provision shall be transmitted to and deposited in the
20 treasurer's office at the level of government represented by
21 the Illinois law enforcement agency whose officers or employees
22 conducted the investigation or caused the arrest or arrests
23 leading to the prosecution, to be subsequently made available
24 to that law enforcement agency as expendable receipts for use
25 in the enforcement of laws regulating controlled substances and
26 cannabis. If such seizure was made by a combination of law

1 enforcement personnel representing different levels of
2 government, the court levying the assessment shall determine
3 the allocation of such assessment. The proceeds of assessment
4 awarded to the State treasury shall be deposited in a special
5 fund known as the Drug Traffic Prevention Fund.

6 (e) More than 200 plants is guilty of a Class 1 felony for
7 which a fine not to exceed \$100,000 may be imposed and for
8 which liability for the cost of conducting the investigation
9 and eradicating such plants may be assessed. Compensation for
10 expenses incurred in the enforcement of this provision shall be
11 transmitted to and deposited in the treasurer's office at the
12 level of government represented by the Illinois law enforcement
13 agency whose officers or employees conducted the investigation
14 or caused the arrest or arrests leading to the prosecution, to
15 be subsequently made available to that law enforcement agency
16 as expendable receipts for use in the enforcement of laws
17 regulating controlled substances and cannabis. If such seizure
18 was made by a combination of law enforcement personnel
19 representing different levels of government, the court levying
20 the assessment shall determine the allocation of such
21 assessment. The proceeds of assessment awarded to the State
22 treasury shall be deposited in a special fund known as the Drug
23 Traffic Prevention Fund.

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

25 Section 900-42. The Code of Civil Procedure is amended by

1 changing Section 2-1401 as follows:

2 (735 ILCS 5/2-1401) (from Ch. 110, par. 2-1401)

3 Sec. 2-1401. Relief from judgments.

4 (a) Relief from final orders and judgments, after 30 days
5 from the entry thereof, may be had upon petition as provided in
6 this Section. Writs of error coram nobis and coram vobis, bills
7 of review and bills in the nature of bills of review are
8 abolished. All relief heretofore obtainable and the grounds for
9 such relief heretofore available, whether by any of the
10 foregoing remedies or otherwise, shall be available in every
11 case, by proceedings hereunder, regardless of the nature of the
12 order or judgment from which relief is sought or of the
13 proceedings in which it was entered. Except as provided in the
14 Illinois Parentage Act of 2015, there shall be no distinction
15 between actions and other proceedings, statutory or otherwise,
16 as to availability of relief, grounds for relief or the relief
17 obtainable.

18 (b) The petition must be filed in the same proceeding in
19 which the order or judgment was entered but is not a
20 continuation thereof. The petition must be supported by
21 affidavit or other appropriate showing as to matters not of
22 record. A petition to reopen a foreclosure proceeding must
23 include as parties to the petition, but is not limited to, all
24 parties in the original action in addition to the current
25 record title holders of the property, current occupants, and

1 any individual or entity that had a recorded interest in the
2 property before the filing of the petition. All parties to the
3 petition shall be notified as provided by rule.

4 (b-5) A movant may present a meritorious claim under this
5 Section if the allegations in the petition establish each of
6 the following by a preponderance of the evidence:

7 (1) the movant was convicted of a forcible felony;

8 (2) the movant's participation in the offense was
9 related to him or her previously having been a victim of
10 domestic violence as perpetrated by an intimate partner;

11 (3) no evidence of domestic violence against the movant
12 was presented at the movant's sentencing hearing;

13 (4) the movant was unaware of the mitigating nature of
14 the evidence of the domestic violence at the time of
15 sentencing and could not have learned of its significance
16 sooner through diligence; and

17 (5) the new evidence of domestic violence against the
18 movant is material and noncumulative to other evidence
19 offered at the sentencing hearing, and is of such a
20 conclusive character that it would likely change the
21 sentence imposed by the original trial court.

22 Nothing in this subsection (b-5) shall prevent a movant
23 from applying for any other relief under this Section or any
24 other law otherwise available to him or her.

25 As used in this subsection (b-5):

26 "Domestic violence" means abuse as defined in Section

1 103 of the Illinois Domestic Violence Act of 1986.

2 "Forcible felony" has the meaning ascribed to the term
3 in Section 2-8 of the Criminal Code of 2012.

4 "Intimate partner" means a spouse or former spouse,
5 persons who have or allegedly have had a child in common,
6 or persons who have or have had a dating or engagement
7 relationship.

8 (c) Except as provided in Section 20b of the Adoption Act
9 and Section 2-32 of the Juvenile Court Act of 1987 or in a
10 petition based upon Section 116-3 of the Code of Criminal
11 Procedure of 1963, or in a motion to vacate and expunge
12 convictions under the Cannabis Control Act as provided by
13 subsection (i) of Section 5.2 of the Criminal Identification
14 Act, the petition must be filed not later than 2 years after
15 the entry of the order or judgment. Time during which the
16 person seeking relief is under legal disability or duress or
17 the ground for relief is fraudulently concealed shall be
18 excluded in computing the period of 2 years.

19 (d) The filing of a petition under this Section does not
20 affect the order or judgment, or suspend its operation.

21 (e) Unless lack of jurisdiction affirmatively appears from
22 the record proper, the vacation or modification of an order or
23 judgment pursuant to the provisions of this Section does not
24 affect the right, title or interest in or to any real or
25 personal property of any person, not a party to the original
26 action, acquired for value after the entry of the order or

1 judgment but before the filing of the petition, nor affect any
2 right of any person not a party to the original action under
3 any certificate of sale issued before the filing of the
4 petition, pursuant to a sale based on the order or judgment.
5 When a petition is filed pursuant to this Section to reopen a
6 foreclosure proceeding, notwithstanding the provisions of
7 Section 15-1701 of this Code, the purchaser or successor
8 purchaser of real property subject to a foreclosure sale who
9 was not a party to the mortgage foreclosure proceedings is
10 entitled to remain in possession of the property until the
11 foreclosure action is defeated or the previously foreclosed
12 defendant redeems from the foreclosure sale if the purchaser
13 has been in possession of the property for more than 6 months.

14 (f) Nothing contained in this Section affects any existing
15 right to relief from a void order or judgment, or to employ any
16 existing method to procure that relief.

17 (Source: P.A. 99-85, eff. 1-1-16; 99-384, eff. 1-1-16; 99-642,
18 eff. 7-28-16; 100-1048, eff. 8-23-18.)

19 Section 900-45. The Condominium Property Act is amended by
20 adding Section 33 as follows:

21 (765 ILCS 605/33 new)

22 Sec. 33. Limitations on the use of smoking cannabis. The
23 condominium instruments of an association may prohibit or limit
24 the smoking of cannabis, as the term "smoking" is defined in

1 the Cannabis Regulation and Tax Act, within a unit owner's
2 unit. The condominium instruments and rules and regulations
3 shall not otherwise restrict the consumption of cannabis by any
4 other method within a unit owner's unit, or the limited common
5 elements, but may restrict any form of consumption on the
6 common elements.

7 Section 900-50. The Right to Privacy in the Workplace Act
8 is amended by changing Section 5 as follows:

9 (820 ILCS 55/5) (from Ch. 48, par. 2855)

10 Sec. 5. Discrimination for use of lawful products
11 prohibited.

12 (a) Except as otherwise specifically provided by law,
13 including Section 10-50 of the Cannabis Regulation and Tax Act,
14 and except as provided in subsections (b) and (c) of this
15 Section, it shall be unlawful for an employer to refuse to hire
16 or to discharge any individual, or otherwise disadvantage any
17 individual, with respect to compensation, terms, conditions or
18 privileges of employment because the individual uses lawful
19 products off the premises of the employer during nonworking and
20 non-call hours. As used in this Section, "lawful products"
21 means products that are legal under state law. For purposes of
22 this Section, an employee is deemed on-call when the employee
23 is scheduled with at least 24 hours' notice by his or her
24 employer to be on standby or otherwise responsible for

1 performing tasks related to his or her employment either at the
2 employer's premises or other previously designated location by
3 his or her employer or supervisor to perform a work-related
4 task. hours.

5 (b) This Section does not apply to any employer that is a
6 non-profit organization that, as one of its primary purposes or
7 objectives, discourages the use of one or more lawful products
8 by the general public. This Section does not apply to the use
9 of those lawful products which impairs an employee's ability to
10 perform the employee's assigned duties.

11 (c) It is not a violation of this Section for an employer
12 to offer, impose or have in effect a health, disability or life
13 insurance policy that makes distinctions between employees for
14 the type of coverage or the price of coverage based upon the
15 employees' use of lawful products provided that:

16 (1) differential premium rates charged employees
17 reflect a differential cost to the employer; and

18 (2) employers provide employees with a statement
19 delineating the differential rates used by insurance
20 carriers.

21 (Source: P.A. 87-807.)

22 ARTICLE 999.

23 MISCELLANEOUS PROVISIONS

24 Section 999-95. No acceleration or delay. Where this Act

1 makes changes in a statute that is represented in this Act by
2 text that is not yet or no longer in effect (for example, a
3 Section represented by multiple versions), the use of that text
4 does not accelerate or delay the taking effect of (i) the
5 changes made by this Act or (ii) provisions derived from any
6 other Public Act.

7 Section 999-99. Effective date. This Act takes effect upon
8 becoming law.